



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Mayor Diane Wolfe Marlin and City Council Members

**FROM:** John A. Schneider, MPA, Community Development Services Director

**DATE:** July 3, 2018

**SUBJECT: A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY**

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### **Description**

Included on the agenda of the July 9, 2018 meeting of the Urbana City Council Committee of the Whole is a Resolution authorizing the execution of an intergovernmental agreement (IGA) with the Housing Authority of Champaign County (HACC) for the purposes of applying for Permanent Supportive Housing Development Program funding from the Illinois Housing Development Authority (IHDA). If awarded from IHDA, the funding would be used to create up to 24 units of permanent supportive housing at 1606 E. Colorado Avenue in Urbana.

### **Issue**

The issue concerns whether or not the Urbana City Council should approve the Resolution.

### **Background**

According to its funding application, IHDA's Permanent Supportive Housing Development Program exists to "increase housing options for households headed by persons with disabilities and households that are homeless or at-risk of homelessness." Although permanent supportive housing is a relatively broad term, in the context of this grant program it is defined as housing that "helps people live stable, successful lives through a combination of affordable, permanent housing and supportive services, appropriate to the needs and preferences of residents, either on-site or closely integrated with the housing. Supportive housing serves individuals and families who are homeless, at risk of homelessness, and/or have disabilities, and who require access to supportive services in order to maintain housing."

IHDA released applications for the Permanent Supportive Housing Development Program on April 23, 2018. Grants Management Division staff met with the Cunningham Township Supervisor to discuss options for leveraging the grant funds, and both parties agreed the HACC is the most knowledgeable and experienced development entity for permanent supportive housing opportunities.

Grants Management Division staff and the Cunningham Township Supervisor met with Cindi Herrera of the HACC to discuss the possibility of applying for this grant opportunity to create much needed permanent supportive housing in the City of Urbana. HACC agreed to function as the developer and owner of the proposed supportive housing facility for the purposes of the application.

After searching for possible development sites around the City, the parties negotiated with the owner of 1606 E. Colorado Avenue to discuss a possible option agreement for the purchase of the site, if the HACC is awarded funding from IHDA. The site is currently zoned B-3, and as such the proposed permanent supportive housing development would require a conditional use permit at that location. The owner of the site submitted a conditional use permit application on June 18, 2018 to the Planning Division, and the Zoning Board of Appeals is expected to make a decision on whether or not to grant the permit at its next regularly scheduled meeting on July 18, 2018.

The HACC submitted a draft of the proposed IGA to the Grants Management Division on June 24, 2018, after the agenda for the regular meeting of the Urbana Community Development Commission was posted and so staff was unable to present the IGA before the Commission for review and approval before the date the Grant is due. The Commission will be provided this memorandum, a copy of the draft IGA, and information about the Committee of the Whole meeting should individual members wish to comment during public input. The HACC presented the IGA to their Board of Commissioners on June 28, 2018 for review and it was approved.

## **Proposed Agreement**

The IGA is required to identify specific roles that the HACC and City will play with regard to applying for and eventually using the funding from IHDA, if awarded. The IGA states that: (1) the parties agree to collaborate on the development of up to 24 units of permanent supportive housing for individuals with special needs on a site located in Urbana, (2) implementation of the development plan is expected to be financed with a variety of sources include a Permanent Supportive Housing Development Grant from IHDA and a private mortgage from a local lender in Champaign County, and (3) preparation of the redevelopment plan and design of the proposed new development and funding applications are expected to occur in 2018, with development to occur over a twelve month period from 2018 through 2019.

## **Options**

1. Forward the Resolution to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution to the Urbana City Council with a recommendation for approval, with suggested changes.
3. Do not recommend approval of the Resolution.

## **Fiscal Impacts**

There will be no change to the City General Fund as a direct result of executing the proposed contract. No City grant funds are being committed as part of this application either, since the project is expected to be developed using only IHDA's grant funds, HACC funding, and private funding. Although the proposed permanent supportive housing development in Urbana is expected to be tax-exempt, occupants of the development would be within walking distance of the businesses along Philo Road and could bolster the tax base by supporting nearby commercial establishments.

## Programmatic Impacts

The *FY 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan* states that “increasing the supply of supportive housing” is a key strategy for addressing the goals of the Community Development Block Grant and HOME Investment Partnerships Program. Specifically, developing new permanent supportive housing would help the City of Urbana and Urbana HOME Consortium to meet Goals 1, 4, and 6 in the Consolidated Plan:

- Goal 1: Provide decent affordable housing opportunities for low- and moderate-income households.
  - Strategy: Increase supply of affordable housing available to low and moderate income households.
    - Activity: Support new construction of affordable rental units sponsored by CHDOs and other nonprofits.
- Goal 4: Work with Housing Authority of Champaign County (HACC) to improve conditions for residents of public housing.
  - Strategy: Strongly encourage the Housing Authority of Champaign County to rehabilitate existing units and develop new units, which would be accessible to families, which include persons with disabilities.
- Goal 6: Provide Support for existing agencies delivering services to homeless individuals and families and encourage the expansion of local services to meet community homeless needs.
  - Strategy: Regularly review and evaluate the needs of the community for homeless and homeless prevention service, and encourage local agencies to match service provided to community needs.
    - Activity: Encourage and support area agencies to develop services such as Supportive Housing and Safe Havens for targeted populations such as homeless teens, teen parents, families, persons with disabilities, etc.
  - Strategy: Take steps to stabilize households at risk of homelessness.
    - Activity: Develop and support rental assistance programs (such as Tenant Based Rental Assistance, the No Limits Program, and Shelter Plus Care) with and without supportive services for extremely low and very low income persons.
    - Activity: Support programs offering permanent housing solutions for low and extremely low income households (see Goal 1)

To illustrate the need for permanent supportive housing, the 2018 Champaign County Continuum of Care Point In Time Count shows that 27 homeless individuals, who were either unsheltered or in temporary housing, identified as having a physical or mental condition that could be treated in part through permanent supportive housing. The proposed permanent supportive housing development could provide housing opportunities for individuals in similar situations and in turn prevent homelessness for households consisting of or headed by persons with disabilities.

## Recommendations

Staff recommends that the Urbana City Council approve this Resolution.

**Memorandum Prepared By:**

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**Kelly H. Mierkowski, Manager  
Grants Management Division**

**Attachments:**

1. A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY
2. An Intergovernmental Agreement between the City of Urbana and the Housing Authority of Champaign County.
3. IHDA Request for Applications: Permanent Supportive Housing Development Program Round V.

July 3, 2018

To: Urbana City Council Members Maryalice Wu, Eric Jakobsson, Aaron Ammons, William Brown, Dennis Roberts, Dean Hazen and Jared Miller

From: Diane Wolfe Marlin

Re: A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY

I concur with the staff recommendation in the attached memo dated July 3, 2018. In addition, I propose that the draft Intergovernmental Agreement with the Housing Authority of Champaign County (HACC) be amended as follows:

**Insert:**

4. In the eventual operation and leasing of the new development at 1606 E. Colorado Avenue in Urbana, HACC shall comply with Sections 12-37 and 12-64 of the City of Urbana Human Rights Ordinance.

**Renumber:**

~~4.~~ 5. Miscellaneous

**RESOLUTION NO. 2018-07-031R**

**A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH  
THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY FOR PERMANENT  
SUPPORTIVE HOUSING DEVELOPMENT**

**WHEREAS**, Article VII, Section 10(a), of the Illinois Constitution, 1970, and the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, authorize intergovernmental cooperation in any manner not prohibited by law or ordinance; and

**WHEREAS**, the City Council, after due consideration, finds that approval of an intergovernmental agreement with the Housing Authority of Champaign County for permanent supportive housing development is in the best interests of the residents of the City and is desirable for the welfare of the City's government and affairs.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF URBANA, ILLINOIS**, as follows:

**Section 1.**

An Intergovernmental Agreement between the City of Urbana, Illinois, and the Housing Authority of Champaign County, Illinois, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

**Section 2.**

The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

ABSTENTIONS:

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Charles A. Smyth, City Clerk

**APPROVED BY THE MAYOR** this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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Diane Wolfe Marlin, Mayor

## **INTERGOVERNMENTAL AGREEMENT**

This Intergovernmental Agreement (the “Agreement”) is entered into by and between the Housing Authority of Champaign County (herein called the “Authority”) and the City of Urbana (herein called the “City”), each a “party” and together the “parties,” and is effective on the last date signed by a party hereto.

### **RECITALS**

**WHEREAS**, the economic health of the community and the overall quality of life for residents are of enormous importance to both the City and the Authority; and

**WHEREAS**, to improve the social well-being of special needs residents of the City, the City recognizes the need to expand housing opportunities through affordable, permanent supportive housing; and

**WHEREAS**, the Authority is in the business of developing affordable housing and housing for special needs populations and has previously been successful in securing a Permanent Supportive Housing Grant from the Illinois Housing Development Authority (IHDA).

**NOW, THEREFORE**, in consideration of the mutual agreements and covenants hereinafter set forth, the parties hereby agree as follows:

- 1. Development Plan** – The parties agree to collaborate on the development of up to 24 units of permanent supportive housing for individuals with special needs on a site located at 1606 E. Colorado Avenue in Urbana. The Authority will negotiate with the current owner of the site and enter into an Option to Purchase the site at appraised value no later than July 16, 2018. The Authority and the City will work together to secure all necessary City approvals and financing commitments to submit an application to IHDA under the Permanent Supportive Housing Development Program.
- 2. Project Financing** – Implementation of the development plan is expected to be financed with a variety of sources including a Permanent Supportive Housing Development Grant from IHDA and a private first mortgage from a local lender in Champaign County. It is anticipated that the City will contribute direct or indirect secondary financing including waiver of certain fees, permits and costs. It is anticipated that the Authority will provide secondary “gap” financing and long-term project based operating subsidy to assure that the permanent supportive housing units to be developed will continue to provide affordability to low income residents of the City.
- 3. Anticipated Timeline for Development** – Preparation of the development plan, design of the proposed new development, and funding applications are expected to occur in 2018. Development is anticipated to occur over a twelve-month period from 2018 through 2019.



**4. Miscellaneous:**

a. Indemnity. Each party shall indemnify and defend the other party, its officers, agents, and employees all claims, liability, or damage, including without limitation reasonable attorneys’ fees, arising from or in any way related to that party’s activities under this agreement. Each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, employees, and agents. This provision will survive the termination of this Agreement.

b. Records. The parties shall maintain such records related to this Agreement as are deemed necessary by the City, the Authority, IHDA, and U.S Department of Housing and Urban Development.

c. Severability. If any term or other provision of this Agreement is found to be invalid, illegal or incapable of being enforced by any court or agency of competent jurisdiction, all other conditions and provision of this Agreement shall nevertheless remain in full force and effect.

d. Entire Agreement. This Agreement constitutes the entire agreement between the parties; it supersedes any prior agreement or understanding between them, oral or written, with respect to the matters addressed herein, all of which are hereby canceled. This Agreement may not be amended or modified except by an instrument in writing signed by both parties hereto. Waiver of any terms or condition of this Agreement shall be effective if in writing and shall not be construed as a waiver of any subsequent breach or waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

**IN WITNESS WHEREOF**, the Authority and the City are signing this Agreement on the dates indicated below their signatures.

**HOUSING AUTHORITY OF CHAMPAIGN COUNTY**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF URBANA**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_



# ILLINOIS HOUSING DEVELOPMENT AUTHORITY

## REQUEST FOR APPLICATIONS

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### Permanent Supportive Housing Development Program

**Round V Application Deadline:  
5:00 P.M. on July 20, 2018**

**Audra Hamernik**  
EXECUTIVE DIRECTOR

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
111 EAST WACKER DRIVE, SUITE 1000, CHICAGO, ILLINOIS 60601  
(312) 836-5200 TDD (312) 836-5222

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

**Request for Applications  
Permanent Supportive Housing Development**

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**CONTENTS**

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<b>Section 1: Definitions .....</b>	<b>4</b>
Permanent Supportive Housing Development Program Overview .....	6
A. What is Supportive Housing? .....	6
B. Eligible Activities.....	7
C. Eligible Applicants .....	7
D. Types of Funding.....	8
E. Income Restrictions.....	8
F. Target Populations .....	9
G. Priority Activities .....	9
<b>Section 2: Application Submission and Evaluation Process .....</b>	<b>10</b>
A. Application Submission and Fee .....	10
B. Public Notice by the Authority.....	10
C. Evaluation of Applications .....	10
<b>Section 3: Mandatory Application Criteria .....</b>	<b>12</b>
A. PSH Application Certification .....	12
B. Multifamily Fee Payment Form and Non-refundable Application Fee.....	13
C. The Authority’s Common Application .....	13
D. Letter of Support OR Certification of Consistency with Consolidated Plan.....	13
E. Project Narrative.....	14
F. Neighborhood Characteristics and Amenities Map.....	14
G. Site Control .....	15
H. Zoning .....	15
I. PSH Environmental Checklist.....	16
J. Site Physical Information .....	17
K. Architectural Requirements .....	18
L. Historic Preservation Checklist.....	23
M. Construction Cost Breakdown .....	24
N. Development Team Capacity .....	24
O. Statewide Referral Network Agreement .....	25
P. Financial Feasibility .....	25
<b>Section 4: Application Scoring Criteria .....</b>	<b>33</b>
A. Leveraging Other Capital Funding Sources .....	33
B. Firm Commitment of Operating or Rental Assistance .....	34
C. Additional SRN Units.....	34
D. Universal Design .....	35
E. Green Design and Energy Efficiency.....	35
F. F. Access to Transportation .....	36
G. Coordination with Veterans Administration.....	36
H. Neighborhood Characteristics and Amenities .....	37
<b>Section Five: Post-Award Requirements.....</b>	<b>39</b>

A. Approval of Final Plans and Specifications .....	39
B. Environmental Assessment.....	40
C. Excluded Parties .....	40
D. Labor Standards.....	40
E. Fair Housing .....	40
F. Section 3 and Minority-and Women-Owned Business Enterprises .....	42
G. Management Documents .....	42
H. Regulatory Period.....	43
I. Reporting and Monitoring .....	43

## Section 1: Definitions

**Applicant** – shall mean the Sponsor 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 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.

**Funding Agreement** – shall mean the document that outlines the terms and conditions of a funding award.

**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 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 property manager.

**Permanent Supportive Housing** – shall mean a Project with a preference or restriction for Supportive Housing Populations that includes supportive services that helps people live stable, successful lives. Supportive services must be appropriate to the needs and preferences of residents, available either on-site or closely integrated with the housing, the acceptance of which is not a condition of tenancy.

**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.

**Regulatory Agreement** – shall mean a document that outlines the terms of the thirty (30) period during which a Project must comply with the occupancy restrictions (both income and rent) and amenities represented in the Project's Application.

**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.

**Statewide Referral Network (SRN)** – shall mean a statewide referral process that links Supportive Housing Populations with available Statewide Referral Network Units. The Statewide Referral Network is a collaboration between the Authority, the Illinois Department of Human Services, the Illinois Department on Aging, the Illinois Department of Healthcare and Family Services, and local social service providers. Households referred through the Statewide Referral Network process may or may not be in need of long-term social services. It is expected that referrals in-need of on-going social services will have them arranged by the referring service provider.

**Statewide Referral Network Units (SRN Units)** – shall mean units set aside for households earning at or below 30% AMI, which are headed by Supportive Housing Populations and referred through a statewide referral network. At minimum, every Project funded pursuant to this Request for Applications must set-aside 10% of total units as Statewide Referral Network (SRN) Units.

**Supportive Housing Populations** – shall mean households headed by persons with disabilities and households that are homeless or at-risk of homelessness who need access to supportive services in order to maintain housing.

**Website** – shall mean <http://www.ihda.org>.

## **Permanent Supportive Housing Development Program Overview**

The Illinois Housing Development Authority (the Authority) has created the Permanent Supportive Housing (PSH) Development Program to increase housing options for households headed by persons with disabilities and households that are homeless or at-risk of homelessness. In addition, the PSH Development Program will provide a minimum number of units in each funded Project that will support the State's efforts to rebalance the long-term care of persons currently living in institutions.

The PSH Development Program will offer flexibility to accommodate a range of development types, including acquisition, new construction, redevelopment of vacant units, or adaptive reuse of non-residential properties.

**This PSH Development Program Request for Applications (RFA) is for smaller developments that because of their size are not a good fit for the Low Income Housing Tax Credit (LIHTC) program. Therefore, only Projects with twenty five (25) or less units are eligible to apply under this RFA. Developments with an allocation of Low Income Housing Tax Credits (LIHTC) or contemplating use of the LIHTC are not eligible Applicants under this RFA.**

The implementation of the PSH Development Program will rely on expertise and established procedures currently in place at the Authority for application intake, review, underwriting, and project completion.

### ***A. What is Supportive Housing?***

Supportive housing helps people live stable, successful lives through a combination of affordable, permanent housing and supportive services, appropriate to the needs and preferences of residents, either on-site or closely integrated with the housing. Supportive housing serves individuals and families who are homeless, at risk of homelessness, and/or have disabilities, and who require access to supportive services in order to maintain housing.

The housing and services needs of persons with disabilities and households that are homeless or at-risk of homelessness are diverse, supporting the need for a range of housing options with services available, whether on-site or community-based; however, all PSH should adhere to the following principles:

1. Supportive housing is affordable, safe and decent. The tenant typically pays not more than 30% of household income towards rent and utilities
2. The supportive housing tenant has a standard lease or similar form of occupancy agreement that adheres to normal conditions of tenancy. Acceptance of services is not a condition of tenancy. Regardless of who fills the roles of supportive services provider, property owner and manager, the rights of tenants should be protected through the delineation of separate functions of services provision and property management.
3. There are no limits on a person's length of tenancy in supportive housing as long as they abide by the conditions of the lease or agreement. Tenants are supported in their

efforts to achieve their individualized goals, which may include eventually moving to other housing settings.

## ***B. Eligible Activities***

At minimum, every Project funded pursuant to this RFA must set-aside at least 10% of total units as SRN Units, defined herein as units set-aside for households earning at or below 30% AMI which are headed by persons with disabilities and referred through a Statewide Referral Network.

Eligible activities under the PSH Development Program include but are not limited to:

- Acquisition of currently vacant units or buildings to offer newly available PSH units;
- Modification of currently vacant units or buildings to achieve full accessibility for persons with disabilities and offer newly available PSH units;
- Rehabilitation of currently vacant units or buildings to offer newly available PSH units;
- New construction of units or buildings that include PSH units.

The Authority welcomes creative models that will help meet a diverse array of PSH needs. Projects may offer PSH units in a range of settings, including but not limited to:

- **Scattered-Site PSH Projects** – a collection of scattered-site PSH units within or detached from several sites, in which links to community-based services are coordinated; may include but is not limited to the acquisition of several condominiums within a building or buildings in which the other units in the building(s) are not part of the PSH Project;
- **Projects with Integrated PSH units** – affordable or mixed-income buildings that include some PSH units, in which links to community-based services are coordinated, and in which some limited supportive services may be offered to tenants on-site;
- **Single Site PSH Projects** – one-site Projects in which the majority of units are filled by Supportive Housing Populations, and which offer both a broad array of on-site services and links to community-based services.

Only Projects with twenty five (25) or less units are eligible to apply under this RFA. Developments with an allocation of LIHTC or contemplating use of the LIHTC are not eligible Applicants under this RFA. Supportive Living Facilities are not eligible for funding under this RFA. The Authority reserves the right to restrict the number of age restricted properties funded under this RFA

Only Projects that demonstrate readiness to move forward with financing and development will be considered, as evidenced by meeting Mandatory application criteria described in Section 3.

## ***C. Eligible Applicants***

Non-profit, for-profit, and joint-venture developers are eligible to apply for funds under the PSH



Development Program. PSH development and operation requires knowledge and skill sets that may not currently exist in full at any one organization. Projects that build on the strengths of several organizations, including development partners will be accepted. The roles, responsibilities, and capacity (including financial capacity) of each entity will be analyzed. In cases where the source of funding is the National Housing Trust Fund, eligible applicants must meet all Authority Standards including standards set out in 24 CFR 93.2 for the National Housing Trust Fund

#### ***D. Types of Funding***

The Authority will evaluate the viability of each Project, then determine which Authority administered funding source or sources are eligible and most appropriate. 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.

Potential Authority administered programs that will be evaluated for award by the Authority include, but are not limited to, the Illinois Affordable Housing Trust Fund Program, the HOME Investment Partnerships Program, the National Housing Trust Fund Program, the Build Illinois Bond Program, the Illinois Affordable Housing Tax Credit Program and the Financing Adjustment Factor Program.

**The Authority reserves the right to select the funding source. One or more of the aforementioned funding sources may not be available or appropriate. All funding awards, including the amount of the award and the funding source, remain subject to the final approval of the Authority's Board.**

Applicants should consult with an accountant to explore any potential tax consequences for an award of funds. Applicants should be aware that each funding source has its own set of rules and regulations.

#### ***E. Income Restrictions***

At minimum, every Project funded pursuant to this RFA must set-aside at least 10% of total units as SRN Units. Any additional 30% AMI units that are not defined as SRN Units are also eligible for funding pursuant to this RFA.

While Projects with unrestricted and/or non-PSH units are eligible and encouraged to apply, funds awarded pursuant to this RFA will be allocated in a manner proportional to the number of SRN and 30% AMI units created. In practice, this means that Projects with units that do not fall into the SRN or 30% AMI category must identify other sources to cover the proportion of total development costs attributable to those units.

Each Project funded under this RFA will be required to execute at initial closing a Regulatory Agreement which outlines the terms of the thirty (30) year compliance period during which a Project must comply with the occupancy restrictions (both income and rent) and amenities

represented in the Project's Application. Further, each Project funded through the PSH Development Program must comply with the requirements imposed by its most restrictive funding source. To the extent that specific funding sources are already committed or requested, Applicants must demonstrate the ability to comply with the most restrictive requirements.

### ***F. Target Populations***

At minimum, all Projects that receive any amount of funding through the PSH Development Program must target a minimum of 10% of units for SRN Units. Exceeding the minimum number of SRN Units, and/or offering additional 30% AMI units not subject to the Statewide Referral Network is encouraged.

All Projects must be disability-neutral unless a committed or anticipated capital or operating subsidy source requires disability-specific targeting. Examples of this include, but are not limited to: Housing Opportunities for Persons with HIV/AIDS (HOPWA) and Illinois Department of Human Services Bridge Subsidy. In practice, this means that unless otherwise dictated by another committed capital or operating subsidy source, units must be open to households headed by persons with any type(s) of disability who otherwise meet Project-specific screening criteria.

### ***G. Priority Activities***

As reflected in Section 4: Application Scoring Criteria, priority will be given to Projects that:

- Leverage other capital funding sources;
- Offer operating or project-based rental assistance;
- Exceed the minimum number of SRN Units;
- Provide units for at-risk veterans;
- Exceed the minimum level of accessibility that is required by applicable law(s) and inclusion of Universal Design principals;
- Incorporate principles of green design; and
- Offer access to public transit and desirable neighborhood amenities.

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

### ***A. Application Submission***

Applications are accepted on-line through the Multifamily portal at <https://mfportal.ihda.org>. Applications will not be accepted in paper form. Please direct any questions to [multifamilyfin@ihda.org](mailto:multifamilyfin@ihda.org).

In order to submit your Application, you must first request an account for the MF Portal at <https://ppa.ihda.org/>. Please allow three business days to receive your login information to access the MF Portal. If you have not received your account information within three business days, please reach out to [mfportalhelp@ihda.org](mailto:mfportalhelp@ihda.org).

All Application materials are available on the Website. The Application deadline is July 20, 2018 at 5:00 P.M.

### ***B. 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 US Congressional Representative and US Senators.

The Authority's public notice requires that any written comments be sent to the Authority and the Applicant within 30 days. The Applicant is required to respond in writing to all comments received and to submit copies of all correspondence to the Authority.

### ***C. Evaluation of Applications***

Applications will be evaluated in the following manner:

1. **Complete Application** – The Application must be received by the designated Application deadline and will be reviewed for completeness. This includes the following:
  - Submission of all required, completed Application forms and supporting documentation;
  - Inclusion of appropriate signatures on all necessary documents; and
  - Payment of non-refundable Application fee.

If the Authority finds that the Application is not complete, then it reserves the right to reject the Application and notify the Applicant with stated reason(s) for denial.

2. **Mandatory Criteria** – If the Authority determines that the Application is complete, then it will be reviewed to determine if the Project meets the mandatory requirements set forth in the Mandatory Requirements section below.
3. **Scoring Criteria** – If an Application has met all of the Mandatory Requirements, then the Application will be reviewed and assigned a score based on the categories set forth in the Scoring Criteria section below.

## Section 3: Mandatory Application Criteria

*The Permanent Supportive Housing Development Program Application Checklist that corresponds with the outline below is available on the Website and MUST be completed and submitted with the Application. All Application materials are available on the Website.*

### A. PSH Application Certification

All Applications must include a signed PSHD Program Application Certification Organizational Chart Identity of Interest form, found on the Website which provides a written certification that the Project will:

- Take actions to affirmatively further fair housing;
- Give preferential treatment to persons on the Public Housing Authority (PHA) waiting list(s) and make on-going efforts to request that the PHA make referrals to the Project, or request that the PHA include relevant information about the Project on any listing the PHA makes available to persons on its waiting list(s);
- Minimize involuntary displacement of low-income households;
- Set-aside at least 10% of total units as SRN Units, defined in this RFA as units set-aside for households earning at or below 30% AMI, which are headed by persons with disabilities and referred through a statewide referral network; and
- Be willing to accept future State-administered operating subsidy or project based rental assistance, should it become available, on units that are not already subject to a rental assistance contract. Certification of this willingness will not be required of those with already-committed rental or operating assistance for 100% of units. This assistance would likely be limited to a maximum of 30% of units within a given Project, would likely be reserved for households referred through a statewide referral network, and may be targeted to Projects located in specific areas of the State based on need.

The Authority intends to seek all sources of operating subsidy or rental assistance that are currently available or may become available in the future, and may wish to target any assistance identified to Projects that serve priority populations. Such assistance may include but is not limited to Section 811 Project Rental Assistance Program, the Long-Term Operating Support Program, or the Illinois Division of Mental Health Bridge Subsidy Program.

Such assistance cannot be assumed to be available to support the Project's operating budget at the time of application through the PSH Development Program. Any referrals made through the Statewide Referral Network would have

to meet the same tenant selection criteria applicable to all other prospective tenants of the Project.

**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 can 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 Common Application**

All Applications must include a completed Common Application (Excel and PDF file formats required). This form can be found on the Website.

**D. Letter of Support OR Certification of Consistency with Consolidated Plan**

All Applications must include a letter of support OR a certification of consistency with the Consolidated Plan for the Project. In cases when a letter of support is withheld, a description of the efforts to obtain a letter of support must be included in the Application.

**1. Letters of Support**

The Application must include a letter of support from the chief elected official of all municipalities in which the Project is located. For Projects located in the City of Chicago, a letter of support from the alderman of all wards in which the Project is located is acceptable. Letters of support must be addressed to the Authority and specifically endorse the Project.

**2. Certification of Consistency with Relevant Consolidated Plan**

All Projects must evidence consistency with the consolidated plan for the jurisdiction in which the Project is located.

For Projects located in a county or municipality covered by a consolidated plan, the Application must include a certification of consistency with the consolidated plan. The certification of consistency with the consolidated plan must be completed and signed by the jurisdiction covered by the consolidated plan. All Projects that are funded with National Housing Trust Fund will also be evaluated by the Authority for consistency with Illinois' Consolidated Plan.

For Projects located in a county or municipality covered by a consolidated plan where a certification of consistency with the consolidated plan is withheld the Application must include a description of the efforts to obtain the certification with the consolidated plan, and, if applicable, respond to any concerns regarding the Project.

For Projects located outside a county or municipality covered by a consolidated plan, the Application must include a written request for the Authority to review the Project for consistency with the State consolidated plan.

For a list of counties or municipalities covered by a consolidated plan please go to the Website.

### **3. Letters of Support: Withheld**

Applications for Projects that are unable to obtain a letter of support from the chief elected official or Chicago alderman must include a description of the efforts to obtain the letter of support and, if applicable, respond to any concerns regarding the Project.

The Authority will review the documentation, as well as any additional letters of support, and may waive this requirement.

Failure to obtain a letter of support due to timing issues will not be an acceptable reason for this documentation missing from the Application.

### **E. Project Narrative**

All Applications must include a Project narrative that includes:

- Amount of funding requested
- Number of total units in the Project
- Number of SRN units proposed
- Number of non-SRN 30% AMI units proposed
- If the Application is for an existing development, applicant must describe all existing use restrictions, restrictive funding sources, and submit a current rent roll that includes the unit size, household size, household income and current rent.

Applicants are encouraged to provide as much detail and background information about the Project as possible. Detailed information will assist the Authority in determining whether there is adequate market demand for the Project in terms of unit mix and rental structure; the Project is located in an area with a shortage of PSH units; and the Project is located in an environment that will meet the needs of the tenants.

### **F. Neighborhood Characteristics and Amenities Map**

All Applications must include a neighborhood characteristics and amenities map that clearly delineates the location of the Project along with characteristics and amenities within a one (1) mile radius. In addition, the Application must include a table referencing each desirable activity identified on the map and stating the type of activity or characteristic identified and the address. Please see Application Scoring Criteria Section H for examples of desirable

activities.

### **G. 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:

- 1) A map showing the location(s) of the Site(s);
- 2) Aerial photograph(s) of the Site(s) with the location(s) of the Project clearly marked, and surrounding uses clearly visible; and
- 3) Evidence of Site control which can only be demonstrated as follows:
  - 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 (6) 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 (6) 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 ninety-nine (99) years; or
  - A fully executed, binding agreement with a term ending no sooner than six (6) 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, with a term ending no sooner than six (6) months after the Application deadline, shall be issued to the Sponsor or Owner by the governmental entity to sell, donate, or enter into a long term lease of the Site. The sale or lease price of the Site(s); and
    - Legal description of the Site(s); and
    - Expiration date for purchase option(s), purchase agreement(s), or letter(s) of intent.

### **H. Zoning**

All Applications must include evidence that the Project Site is currently zoned for its proposed use. For a scattered-Site Project, the Application must include evidence that each parcel is currently zoned for its proposed use. Evidence of appropriate zoning can only be demonstrated through ONE of the following:

- 1) A valid building permit; or



- 2) A letter of zoning certification 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 Project Site (e.g. address or street crossings); and
  - The current zoning designation or statement that the community does not have zoning; and
  - A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
  - A statement that the current zoning, if applicable, is appropriate for the proposed Project and no zoning variation requests are pending that would alter this zoning.

In cases where the Project will be approved through a Planned Development or Planned Unit Development (“PUD”) process, the Authority may consider an exception to the requirement that the current zoning be appropriate for the proposed Project on a case-by-case basis. In order to be considered for such an exception, the Application must include 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 Project Site (e.g. address or street crossings); and
- A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
- A written explanation of the PUD approval process; and
- Evidence the PUD process has been initiated; and
- Evidence of which stage in the PUD approval process the Project has reached; and
- Evidence satisfactory to the Authority that the PUD will be reviewed in a timely manner.

Sufficient evidence of progress for PUD approval to satisfy the zoning requirement may include, but is not limited to, the local planning body’s recommendation of approval to the entity with authority to approve the PUD, such as the town council or board of trustees. The PUD must be approved prior to funding consideration by Board.

### **I. *PSH Environmental Checklist***

The Application must include a completed PSH Environmental Checklist which can be found on the Authority Website. If funded, the Authority will require as a condition of closing a Phase I environmental site assessment covering all Sites completed within one (1) year prior to the Application deadline according to the Authority’s Standards for Environmental Reviews and Professionals available on the Website, including all appendices. If a Phase II is available, it may 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.

## **J. Site Physical Information**

### **1. 1% Floodplain or Floodway**

The Application must include a Federal Emergency Management Agency (“FEMA”) floodplain map covering the Project area with the boundary of all Sites clearly delineated.

FEMA floodplain maps can be obtained from the FEMA website.

If any portion of a Site is located within the 1% floodplain or floodway, the Application must include one or both of the following as applicable:

- **Rehabilitation**

Projects proposing the rehabilitation of existing buildings on Sites within the 1% floodplain or floodway must submit a Site plan that clearly indicates all of the following:

- The FEMA determined elevation of the floodplain or floodway; and
- The elevation of the lowest floor level in the existing buildings; and
- The location of the existing buildings; and
- Evidence that the Site is enrolled or is eligible to enroll in the National Flood Insurance Program.

Note: Projects involving the rehabilitation of existing buildings on Sites located in the 1% floodplain or floodway will ONLY be permitted if the lowest existing floor elevation of each building in the floodplain is at least six (6) inches above the FEMA designated floodplain elevation.

- **New Construction**

Projects proposing new construction on Sites within the 1% floodplain or floodway must submit a Site plan that clearly indicates all of the following:

- The FEMA determined elevation of the floodplain or floodway; and
- The elevation of the lowest floor level in the proposed buildings; and
- The location of the proposed buildings.

Buildings must be situated outside the floodplain and any Project contemplating additional federal resources will be required to subdivide the Project Site from the affected land or obtain a Conditional Letter of Map Amendment or Revision from FEMA demonstrating the Site is eligible for reclassification out of the floodplain.

## **2. Wetlands**

The Application must include a U.S. Fish and Wildlife Service (“USFWS”) National Wetlands Inventory map for the Project area with the boundary of all Sites clearly delineated.

USFWS wetland inventory maps can be obtained from the USFWS website.

If any portion of a Site contains wetlands, or if the Project may impact wetlands, the Application must include one of the following:

- A Letter of No Objection from the U.S. Army Corps of Engineers, or
- A wetlands permit from the U.S. Army Corps of Engineers

## **3. 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 ISGS website.

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

## **K. Architectural Requirements**

All Projects must meet the requirements contained in the Authority’s Standards for Architectural Planning and Construction. The Standards for Architectural Planning and Construction are available on the Website.

### **1. Architectural Standards, Universal Design, and Amenities Certification**

The Application must include the Architectural Standards, Universal Design, and Amenities 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. Architectural Standards**

All Projects must will comply with the Authority's Standards for Architectural Planning and Construction including:

- All minimum green design requirements as specified in the Standards for Architectural Planning and Construction Section 14.00 – Green Criteria, including submission of the Utility Release Form prior to closing; and
- All applicable Federal and State accessibility laws and / or as specified in the Standards for Architectural Planning and Construction Section 8.00 – Accessibility Standards, including:
  - At least ten percent (10.0%) of the total units in the Project are designed for persons with mobility impairments, as defined in ICC/ANSI 117.1-2003 most current version, Section 1002 Accessible Units; and
  - At least two percent (2.0%) of the total units in the Project are designed for persons with sensory impairments (not less than one unit), as defined in ICC/ANSI 117.1-2003 most current version, Section 1005 Sensory Impaired Units

It is expected all new construction Projects shall meet the requirements listed above. The Authority understands the challenges represented by rehabilitation when providing for accessibility, and expects each Project to meet the minimum requirements for accessibility.

If, for any reason, a rehabilitation Project anticipates challenges meeting the applicable accessibility code requirements due to acceptable definitions within the code, such as elements being technically infeasible, structurally impracticable, etc., a written request defining the Project related challenges must be provided in the Application for evaluation. This request must specify the following items:

- Identification of the applicable accessibility code(s) of the Project;
- The specific exemption being sought, and the applicable code section allowing exemption;
- A description as to why the exemption applies; and
- Narrative and cost analysis of any alternatives explored to provide code required elements.

The Authority reserves the right to reject any request not including any of the items listed.

The Authority will review the request and either approve it as written, provide a conditional approval, or reject the request and require full code compliance with all expenses incurred by the Owner.

Any request submitted for a rehabilitation Project under this provision are also subject the following conditions:

- A minimum of 10% of the units must be provided with accessible elements, “to the greatest extent possible” with the measures taken to meet this standard defined in the request;
- The minimum level of adaptable units as defined by the Illinois Accessibility Code must be provided;
- Units approved under any exemption may not be identified as “Accessible Units” under the details tab of the Common Application; and
- Units approved under any exemption will not be allowed to be included as “Accessible Units” For scoring purposes.

### **b. 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 five 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.

### **c. Amenities**

The Application must include Project amenities as specified in the Standards for Architectural Planning and Construction Section 7.00 – Design and Planning. In addition, a minimum of five (5) 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.

**i. Exterior Project Related Amenities**

- Secured bicycle parking (minimum of eight (8) slots per twenty five (25) units)
- Two (2) picnic tables and one (1) grill for every twenty-five (25) units
- Outdoor entertainment space such as an outdoor theater and gazebo with available seating
- Looped walking paths or connected sidewalks through the entire Project
- Dedicated visitor parking in addition to code or Authority required parking total of at least 3 spaces or 5% of unit count, whichever is greater.
- An equipped sports court (volleyball, tennis, basketball, etc.) for every 100 units
- On-site car sharing
- Garden plots / designated community garden area with a minimum of 15 square feet per unit
- Upgraded landscaping, including one tree planted on-site for every ten units. The landscaping must adhere to Section 14.2 of the Standards for Architectural Planning and Construction, and be 100% native and adaptive plantings/landscaping

**ii. Interior Project Related Amenities**

- Resident storage space is 25% greater than the minimum requirement
- Computer room equipped with one (1) computer for every fifteen (15) units
- Green Roof with available seating or other community activity area available on the roof
- Exercise / fitness center with at least one (1) machine per fifteen (15) units
- Trash and/or recycling disposal chutes
- Dedicated recycling area within the Project
- Community room meeting Authority standards
- Community kitchen with counter seating
- Community TV room, theater or gaming room
- At least one additional common room in conjunction with a community room for an identified activity (i.e. billiards room, arts & crafts room, game room, dining room, etc.)
- Dog walking area
- Library / reading room
- Hair salon
- Health and wellness center
- Laundry rooms on each residential floor

**iii. Project Unit Related Amenities**

- Storage space is 25% greater than the minimum requirement
- Residential units are 15% larger than the minimum requirement
- Kitchen pantry in every kitchen
- Free internet access in each unit
- Free cable or satellite television service in each unit
- Walk-in closets available in at least one bedroom of every unit (including studio/efficiency units)
- Security camera at all entrances
- Facility wide security camera system
- 9'-0" ceilings in all units
- Washer and dryer in every unit
- Entire Project contains Non-smoking units
- Energy Star-rated dishwasher in every unit
- Microwave oven in every unit
- Energy Star-rated ceiling fan with switched light fixture in every living room and bedroom
- Screen doors on all exterior doors
- Porch / patio / balcony for each unit

## **2. Preliminary Architectural Plans and Specifications**

The Application must include preliminary architectural plans and specifications that include all of the following:

- Cover sheet with development 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; and
- 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
- Certification of Project Scope, signed by the Architect and Sponsor.

The Certification of Project Scope must include a written description of the full Project scope. Items to be included, but not limited to, in this document are:

- Outline specifications indicating all materials selected and/or defined performance criteria (i.e. windows, doors, hardware, drywall, exterior materials, floor and wall finishes, etc.);
- 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 scoping items included in the Project.

### **3. Projects Involving Rehabilitation**

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

#### **i. Physical Needs Assessment**

The Application must include a Physical Needs Assessment (“PNA”) completed according to the Authority’s Standards for PNA and based on the existing conditions of the property.

#### **ii. 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 (5) to seven (7) 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.

#### **L. Historic Preservation Checklist**

All Projects must meet the requirements of the National Historic Preservation Act and the Illinois State Historic Resources Protection Act as determined by the Illinois Historic Preservation Agency (“IHPA”). 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 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.



## **M. 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 Common Application, available on the Website.
- A detailed explanation of all construction cost variances existing between the Construction Cost Breakdown and Physical Needs Assessment (“PNA”), if applicable.

In cases where there is an Identity of Interest between a Sponsor and Project general contractor; between a Sponsor and the Project architect; or between the Project architect and Project general contractor; the Construction Cost Breakdown must be completed by an independent third-party construction cost estimation firm according to the Authority’s Standards for Construction Cost Estimating available on the Website.

For rehabilitation Projects, 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 the mandatory review.

## **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:

### **1. Organizational Chart**

The Application must include a full organizational chart reflecting all entities within the proposed Owner down to individuals including percentages of ownership using the PSHD Program Application Certification Organizational Chart Identity of Interest form on the Authority’s Website.

### **2. Identity of Interest Certification**

The Application must include a completed the PSHD Program Application Certification Organizational Chart Identity of Interest form for the Sponsor. The form is available on the Authority’s Website

### **3. Development Team Certifications**

The Application must include certifications for the proposed owner, general contractor, property manager, and architect, 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 are available on the Authority’s Website

#### **4. 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 Applicant 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 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.
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 (3) years.
3. A Participant (including any affiliates) has declared bankruptcy over the past three (3) years.
4. Any Participant (including any affiliates) has a mortgage default or arrearage of three months or more within the last three (3) years.
5. A Participant that has failed to pay any fee or expense due to the Authority, including outstanding compliance monitoring fees in the past three (3) years.
6. Any liens or other claims exist against property owned by Owner (including any affiliates) for which the Owner has failed to resolve a public filing such as a lien or a judgment.
7. The Owner (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.
8. A Participant that has materially misrepresented facts on any request for Authority resources.

#### ***O. Statewide Referral Network Agreement***

All Application must include submit a draft Statewide Referral Network Agreement. The agreement form can be found on the Website.

#### ***P. 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.

##### **1. Overall Limits**

- **General Contractor Fees**

The general conditions, overhead, and profit in a general contractor's budget are limited to a combined fourteen percent (14%) of trade payments & Site work as calculated in the Authority's Common Application.

- **Architect and Civil Engineering Fees**

Fees for architectural services and civil engineering are subject to the limits contained in the Authority's Standards for Architectural Planning and Construction, as amended and found on the Website.

- **Development Costs**

The Authority will evaluate the acquisition and construction costs for reasonableness taking into consideration the project type, location, and scope of work based on the Authority's past experience with similar projects and similar locations. All successful Applicants may be required to submit an appraisal prior to funding consideration by the Members of the Authority's Board.

- **Construction Contingency**

Development budgets must include hard cost construction contingencies to cover unforeseen construction cost increases. The contingency **must** be sized as a percentage of the construction contract, as calculated in the Authority's Common Application, according to the following:

- New-Construction: 5%
- Rehabilitation (vacant residential, adaptive reuse, or modifications): 10%

- **Total Award**

The amount of PSH Development Program funding to be allocated will not exceed the amount necessary to make the project financially feasible, as determined by the Authority. Please note that PSH Development Program funds will be allocated in a manner proportional to the number of PSH units located within the Project. For example, if PSH Development Program funds are expected to comprise 25% of the Project's sources, then at least 25% of the Project's units must be PSH.

- **Developer Fee**

A Project's developer fee may not exceed the lesser of five-hundred thousand (\$500,000) or 10 percent (10%) of the Project's grand total development cost net of the following: total developer fee, reserves, syndication costs, and interim costs, as calculated in the Common Application.

Developer fee includes all of the following which shall not appear elsewhere in the Project budget:

- Consultant fees
- Construction management fees
- Architectural and civil engineering fees in excess of the Authority's fee limits

- Developer overhead fees
- Any additional fees related to direct assistance provided to the Sponsor or Owner in conjunction with the completion of the Application or construction of the development.
- Developer fees are limited to the amount contemplated at the time of a Conditional Allocation. Developer Fee will be paid by the Authority on the following schedule:
  - 20% at initial closing
  - 20% at 50% at construction completion
  - 40% at Certificate of Occupancy
  - 20% at Final Closing

## 2. Project Income

- **Unit Rents**

The proposed gross residential unit rents for the Project, including any utility allowances, must be reasonable for the market area and must not be in excess of ninety-five percent (95%) of any rent limits imposed by any committed or proposed financing source, program, or other requirement. Rent and income limits for 2016 can be found on the Authority's Website

- **Rental Assistance**

Any Project that includes residential income generated as a result of a rental or operating assistance contract must clearly identify the portion of the rent paid by the tenant.

All assumptions regarding the funding and renewal of rental assistance contracts must be clearly identified. The Authority will review and determine the suitability of all assumptions regarding the funding and renewal of rental assistance contracts on a case-by-case basis.

In the event a rental assistance contract pays a rent in excess of 95% of the gross unit rent limit, the Application must demonstrate how the Project will remain financially feasible throughout the 30-year compliance period in the event the rental assistance contract is terminated.

- **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.

- **Commercial Income**

Applications that include any sources of commercial income must include a detailed description of any assumptions related to the commercial income and copies of any existing leases or letters of intent to occupy commercial space. The Authority will review and determine the suitability of all assumptions regarding commercial income on a case-by-case basis. Commercial income will be underwritten at a fifty percent (50%) vacancy rate. PSH Development Program funds may not be used to pay for construction or operation of commercial space, so these costs must be broken out separately in the development and operating budgets.

### **3. Utility Allowances**

All Projects that include tenant-paid utilities must submit current documentation fully detailing the average per-unit utility expenses incurred by utility type on a monthly basis. The utility allowance must be appropriate for the unit size, utilities covered, and Project location.

Projects that include gas or electric heat must differentiate heating expenses from other gas and electric expenses. Non-essential utilities including telephone, cable television, internet access, etc., are excluded from the utility allowance.

Current utility allowance information **must** be provided by the governing public housing authority for the county where the Project is located or through the submission of a utility survey covering one (1) full year that is representative of each unit type within the Project.

### **4. Income to Expense Ratio**

Applications must demonstrate the Project can maintain a minimum income to expense ratio (the ratio of a Project's net operating income to its operating expenses), after any contemplated debt service, of 1.15:1.00, excluding cash flow notes, for a minimum of fifteen (15) years.

Projects whose cash flow reflects income to expense ratios of less than 1.15:1.00 must capitalize operating or debt service reserves and detail how payouts from these reserves will maintain the minimum income to expense ratios through a cash flow statement reflecting annual payouts from the reserve.

### **5. Cash Flow**

All Applications must demonstrate the Project can maintain annual cash flow (if applicable, after debt service) of at least \$100 per unit per year for a minimum of fifteen years.

### **4. Third Party Studies**

Projects must budget \$5,000 to \$25,000 for third party studies. At the Authority's sole discretion, any or all of the following may be required: a construction cost estimate, a

market study, environmental studies beyond a phase I, an appraisal, a cost certification, and such other third party studies as the Authority may require.

## **5. 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 ten percent (10%) of the remediation costs.

## **6. Reserves**

The Authority will review the Project's reserves in order to determine its long-term viability. Project reserves must be reflected in the Application, and a narrative must be provided to explain assumptions regarding the calculation of the following:

- **Replacement Reserves**

All Projects must capitalize a per unit replacement reserve of \$800 per unit in the development budget and fund ongoing per unit annual replacement reserves of \$400 per unit from operations.

- **Real Estate Tax Reserves**

All Applications must budget adequate real estate tax reserves to pay real estate taxes during the construction period plus an amount equal to fifty-five percent (55%) of the estimated annual real estate taxes in the first year of Project operations. In addition, the operating budget must have adequate annual cash flow to capitalize an annual real estate tax reserve sufficient to pay the Project's real estate taxes in the following year.

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 detail any assumptions associated with the abatement including all of the following: the calculation of real estate taxes before, during, and after the abatement; and the anticipated date the abatement becomes effective; and the length of the abatement.

- **Insurance Reserves**

All Applications must budget adequate insurance reserves 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 addition, the operating budget must have adequate annual cash flow to capitalize an insurance reserve sufficient to pay the Project's insurance in the following year.

- **Operating Reserves**

All Applications must include an operating reserve sufficient to cover all Project operational costs including administrative, management, payroll, maintenance, utilities, taxes, insurance, and debt service payment for at least four (4) months.

- **Other Reserves**

The Authority will review all other Project reserves including, but not limited to, marketing/leasing, debt service, operating, and furniture, fixtures and equipment, in order to evaluate their sufficiency and reasonableness. Projects including these reserves must also include a description with all of the following:

- i. how the Project will benefit from the reserves;
- ii. why the reserves are necessary;
- iii. who (if anyone) is requiring them;
- iv. who will hold them;
- v. what is the process for releasing the reserves;
- vi. is there a requirement the reserves be replenished; and
- vii. if there is a requirement that reserves be replenished, what is the source of funds for replenishment.

The Authority will not allow social service reserves to be funded through this RFA.

## **7. Authority Fees**

An asset management fee of \$50 per unit must be included in the Project budget.

## **8. Operating Expenses**

Annual per unit operating expenses must be adequate and reasonable for the Project type, location, and population served.

Per unit annual operating expenses, excluding taxes, reserves, resident services, and debt service, as calculated by the Common Application, are expected to fall within the ranges found on the Website by Project type and Set-Aside.

In order to substantiate a deviation from the expected ranges the Application must include supplemental documentation with additional detail about specific expenses. The Authority will review and determine the suitability of operating expenses outside of expected ranges on a case-by-case basis.

## **9. Trending Factors**

The Project must demonstrate it remains financially feasible for a minimum of fifteen (15) years utilizing the following cash flow trending factors:

- Annual Increase in real estate taxes: 4%
- Annual Increase in operating expenses: 3%
- Annual Increase in income: 2%

In order to substantiate a deviation from the listed trending factors, the Application must include supplemental documentation such as an approved real estate tax abatement. The Authority will review and determine the suitability of trending factors outside the expected ranges on a case-by-case basis.

## **10. Residential Vacancy Rates**

The Project must demonstrate it remains financially feasible for a minimum of fifteen (15) years utilizing an annual economic vacancy rate, for the residential portion of the Project, of 10%.

In order to substantiate a deviation from the required vacancy rate, the Application must include supplemental documentation. The Authority will review and determine the suitability of any other vacancy rates on a case-by-case basis.

## **11. Evidence of Project Financing**

All Applications must reflect adequate sources of financing in order 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 review.

All Applications must evidence all Project financing sources including debt, grants, and Tax Credit equity 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 Applicant is notified that another Project financing source has been denied, the Applicant will be allowed fourteen (14) business days from the date of the denial notice to provide a revised financing plan. If not provided, the Application will be determined to be financially infeasible and will fail the mandatory review.

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

- **Debt Sources**

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

- i. The amount of the loan,
- ii. The length of the loan term, which must be at least fifteen (15) years,
- iii. The amortization period of the loan,
- iv. The interest rate (and any terms and conditions regarding adjustments),



- v. The expected monthly or annual debt service payment, and
- vi. 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.

- **Grant Sources**

For any grant source, the executed acknowledgment letter(s) must contain the amount of the grant, when the grant will be available as a source to the Project, and any outstanding requirements to be met prior to grant availability.

- **Tax Credit Equity Sources**

For any tax credit equity source, the executed acknowledgment letter(s) must contain the amount of tax credit equity available to the Project, the proposed net cent rate per tax credit dollar, and the proposed equity pay-in schedule. This section refers only to IAHTC and Historic Tax Credits. Developments with an allocation of or contemplating the use of LIHTC are not eligible applicants under this RFA.

## Section 4: Application Scoring Criteria

Projects that pass all mandatory application requirements will be scored on the following items, 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 Applicant's commitment to various scoring criteria shall be binding and shall be incorporated into a Regulatory Agreement.

All Applications must include a completed Permanent Supportive Housing Development Program Self Scoring Form which is available on the Website.

### **A. Leveraging Other Capital Funding Sources**

Projects that leverage Authority resources will be awarded up to twenty five (25) points based on the amount of leveraged resources as a percentage of total funding sources in the Project's development budget.

Leveraged resources under this category are defined as funds provided by a non-Authority source. Leveraged resources do **NOT** include deferred developer fees; the equity generated from the sale of Authority-allocated Illinois Affordable Housing Tax Credits (also known as state donation tax credits); equity bridge loans; or any non-market rate Authority-administered sources, such as HOME funds or Affordable Housing Trust Funds.

All leveraged resources must be reflected in the Project budget and be available during the Project's construction period to pay for expenses reflected in the development 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.

Projects will be awarded points based on the following criteria:

<b>Leveraged Resources as Percentage of Total Project Sources</b>	<b>Points</b>
30.1% or more	25
20.1-30%	15
10-20%	5

**B. Firm Commitment of Operating or Rental Assistance**

Projects that provide project-based rental or operating assistance will be awarded up to twenty five (25) points based on the number of units assisted and the length of committed assistance. Rental assistance will be considered project-based if it is tied to the units rather than to the tenants. Points will only be awarded if the rental assistance ensures tenants pay no more than thirty (30%) percent of their income towards rent and utility expenses combined.

Sponsors seeking points in this category must submit documentation evidencing a current rental assistance contract or a commitment to provide rental assistance. Projects with a current rental assistance contract must submit a copy of the fully executed contract in the Application. Projects with a rental assistance commitment must provide a commitment letter in the Application that includes all of the following: a) the maximum household income; b) the total number of units assisted; and c) the length of the rental assistance contract.

When the U.S. Department of Housing and Urban Development (HUD) is providing the rental assistance, the commitment letter must be from HUD. Illinois Division of Mental Health Bridge Subsidy Program commitment letters must be from the Illinois Department of Human Services or the Illinois Division of Mental Health, and Project Based Housing Choice Voucher Conversion and Public Housing Authority Annual Contribution Contracts must be from the executive director of the relevant Public Housing Authority. Developer funded rental assistance is not eligible for points under this category.

For Projects where the term of the rental assistance contract is five (5) years or greater, points will be awarded as follows:

<b>Percentage of Units Assisted</b>	<b>Points for 10+ Year Commitment</b>	<b>Points for 5 Year to 9 Year and 11 Month Commitment</b>
75.1% or more units	25	15
50.1-75% of units	20	10
10.1-50% of units	15	7
1-10% of units	10	5

**C. Additional SRN Units**

All Projects must target a minimum of 10% of units to 30% AMI households headed by persons with disabilities which are referred through a State referral network, referred to herein as the SRN Units. Up to ten (10) points will be awarded to Projects that exceed the minimum number of SRN Units.

<b>SRN Units within Permanent Supportive Housing Projects</b>	<b>Points</b>
20.1% or more of Total Units are SRN Units for 30% AMI Households	10
10.1-20% of Total Units are SRN Units for 30% AMI Households	5

Projects that are awarded points under this category must reflect the total number of SRN Units in their submitted Common Application.

**D. Universal Design**

Projects identifying Universal Design elements to be provided within the architectural design in excess of code required Universal Design features plus five additional items defined in the Mandatory Section, as evidenced through submission of the Architectural Standards, Universal Design and Amenities Certification available on the Website, can earn up to fifteen (15) points as follows:

Universal Design Features Beyond Code Requirements	Points
Projects which select Ten (10) additional Universal Design items beyond code requirements in 50% of units	10
Projects which select ten (10) additional Universal Design items beyond code requirements in 100% of units	15

**E. Green Design and Energy Efficiency**

Projects whose architectural design and construction meet or exceed green initiative standards, evidenced through submission of the Green Initiatives Certification, available on the Website, can earn up to five (5) points as follows:

Points	Green Initiative
1	<ul style="list-style-type: none"> <li>• Commit to obtaining EPA Energy Star certification <b>-or-</b></li> <li>• Minimum 10% improvement for new construction (5% for rehab) above ASHRAE 90.1 2010 proven by a completed energy model, <b>-or-</b></li> <li>• HERS rating of 75 or lower</li> </ul>
2	Commit to obtaining a sustainable building certification from one of the following: <ul style="list-style-type: none"> <li>• U.S. Green Building Council LEED certification <b>-or-</b></li> <li>• Enterprise Green Communities 2015 certification <b>-or-</b></li> <li>• ICC 700 National Green Building Standard certification</li> </ul>
5	Meet minimum standards in the Authority Standards for Architectural Planning and Construction indicated for Energy Efficiency and Green Criteria; <b>and</b> Commit to obtaining a sustainable building certification from one of the following: <ul style="list-style-type: none"> <li>• Passive House Certification through PHiUS or PHI <b>-or-</b></li> <li>• Certification through Living Building Challenge <b>-or-</b></li> <li>• Alternative certification for a high performance building achieving 'Net Zero Capable' status as approved by the Authority.</li> </ul>

**F. F. Access to Transportation**

Project may earn up to ten (10) points for access to transportation. **Points in this category are cumulative.**

Projects will be awarded five (5) points for transit-oriented development if the proposed Project is located in close proximity to fixed-route public transportation, excluding inter-city transportation. "Close proximity" will be defined as being within a half (.5) mile radius. Transportation routes and distance to the Project Site must be identified on a map submitted with the Application along with a current schedule for the routes being considered.

Projects will be awarded five (5) points if served by publicly available Dial-A-Ride modes of transportation that are at a minimum available between Monday and Friday from 8:00 a.m. to 6:00 p.m. The Applicant must include a letter from the Dial-A-Ride provider stating all of 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 6:00 p.m. Monday through Friday.

**G. Coordination with Veterans Administration**

Projects providing housing which is coordinated with veteran's services can earn up to five (5) points as follows:

Points	Scoring Threshold
3	Coordination with veteran's services, through local Department of Veterans Affairs Supportive Services for Veterans Families (SSVF) awardees, local Illinois Veteran Service Officer or U.S. Department of Veterans Affairs
5	Coordination with veteran's services through local Department of Veterans Affairs Supportive Services for Veterans Families (SSVF) awardees, local Illinois Veteran Service Officer or U.S. Department of Veterans Affairs <b>-AND-</b> commitment of federal, state, or local project based rental assistance, including U.S. Department of Veteran's Affairs Supportive Housing (VASH) vouchers

Evidenced through submission of all the following:

- 1) Coordination with Veteran's Services Certification, available on the Website; and

2) Written confirmation from local Department of Veterans Affairs Supportive Services for Veterans Families (SSVF) awardees, local Illinois Veteran Service Officer or U.S. Department of Veteran's Affairs detailing:

- How coordination will occur with Project; and
- What services are provided; and
- What funding source is used to pay for these services; and
- The capacity of the organization to provide services to any Project tenants.

A list of Department of Veterans Affairs Supportive Services for Veterans Families (SSVF) awardees can be found on the Website.

The Illinois Department of Veterans Affairs listing and map of locations can be found at

[https://maps.google.com/maps/ms?ie=UTF8&hl=en&msa=0&msid=103591904087477906918.00046209f7e7827b062e2&ll=40.245992,-89.362793&spn=5.382338,16.962891&z=6&dg=feature.](https://maps.google.com/maps/ms?ie=UTF8&hl=en&msa=0&msid=103591904087477906918.00046209f7e7827b062e2&ll=40.245992,-89.362793&spn=5.382338,16.962891&z=6&dg=feature)

The US Department of Veterans Affairs [can be found at](http://www.va.gov/directory/Guide/state.asp?dnum=ALL&STATE=IL)

Applications for Projects that are unable to obtain written confirmation from local Department of Veterans Affairs Supportive Services for Veterans Families (SSVF) awardees, local Illinois Veteran Service Officer or U.S. Department of Veteran's Affairs but have made efforts to obtain such written confirmation should include a description of the efforts used to obtain Veteran's Services for the Project. The Authority will review the documentation and may award points to Projects that have made best efforts.

3) Commitment for federal, state, or local project based rental assistance, or from the U.S. Department of Veteran's Affairs Supportive Housing (VASH) vouchers that includes:

- The maximum percentage of Area Median Income; and
- The total number of units assisted by unit type; and
- The length of the rental assistance commitment; and
- The contract rent by unit type.

#### ***H. Neighborhood Characteristics and Amenities***

A maximum of five (5) points will be awarded in this section based on the proximity of desirable activities and characteristics to the Project Site.

One (1) point will be awarded for each desirable activity/characteristic in the vicinity of the Project.

A map must be submitted indicating the specific location of all desirable in the vicinity of the Project. At a minimum, the map must include the Project Site location including area roadways, and indication of distances in 1/4 mile increments. In addition, the Application must include a table referencing each desirable activity identified on the map and stating the type of activity or characteristic identified and the address.

Please include color photographs of the desirable activities.

For scattered Site Projects, the perimeter of the noncontiguous parcels shall serve as the boundary of the proposed Project Site from which the distance for determining the location of the desirable and undesirable activities and characteristics shall be measured.

### **1. Desirable Activities**

In order for a Project to receive desirable activity/characteristic points, only activities and/or characteristics which are located within one (1) mile of the proposed Site will be considered.

Applicants may only score one (1) point in each of the different categories. Each activity will be assigned to only one category. For desirable characteristics that are under construction, consideration will be given and points may be awarded to active construction Sites where the new structures are above ground at the time of Application.

Desirable activities/characteristics may include, but are not limited to, the following categories:

- Retail stores (includes clothing stores, department stores, etc.)
- Federally insured banking institutions (ATMs are not eligible for points)
- Recreational facilities / public parks / civic centers
- Grocery stores (only full service grocery stores are eligible for points)
- Day care services (must be licensed)
- School(s)
- Libraries (no school libraries accepted)
- Restaurants
- Hospital / Health clinic
- Doctor's office (general practitioners or specialists appropriate for population served)
- Pharmacy
- Religious institutions
- Governmental service office, including fire, police, city hall or post office

All Projects that pass mandatory will be subject to a Site visit to confirm that there are no adjacent activities that would have a negative impact on the population(s) to be served.

## **Section Five: Post-Award Requirements**

If the Members of the Authority approve the Application, a conditional commitment letter (“Commitment”) will be issued to the Applicant specifying the terms and conditions upon which the Authority will award and fund the Project. 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 time frame specified therein, the funds will be awarded as provided in the Commitment.

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

(i) Funding Agreement, (ii) Regulatory Agreement, (iii) Recapture Agreement, and in cases where National Housing Trust Fund is the source of funds, (iv) a certification that the Sponsor shall comply with all National Housing Trust Fund Regulations.

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 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, such requirements may have significant impact on the costs and complexity of the Project.

Applicants are expected to be familiar with the full range of all legal and statutory compliance requirements applicable to the funds awarded, and to obtain all necessary information and advice so that they can comply with such requirements. The following is a brief, but not complete, summary of certain aspects of the major compliance requirements.

### ***A. Approval of Final Plans and Specifications***

The Authority’s Architectural Services Department must approve the complete final architectural plans and specifications for the Project. The complete plans and specifications must incorporate all mandatory requirements, as well as any scoring criteria for which the Project received points. In addition to the Project plans and specifications, the following documents will be required:

- A copy of the Illinois Architectural Registration Certificate for the design firm and/or the sole proprietor; and
- An Architect’s Error and Omissions Certificate of Insurance; and
- 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 or a Site specific certified letter from the architect regarding the suitability of soils.



## ***B. Environmental Assessment***

Unless federal funds are present, the Authority will determine in its sole discretion the scope of the environmental studies and, if applicable, the scope of remediation that may be required for one or more of the Projects. 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 ten percent (10%) of the remediation costs.

If federal 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 Applicant 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 at [www.epls.gov](http://www.epls.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 when a Project utilizes only non-federal funds, the Authority must ensure the Project abides by the Illinois Prevailing Wage Act (820 ILCS 130/0/.01). 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). 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.

Use of federal funds in Projects that consist of **eight (8) or more units** triggers DBRA. Use of federal funds in Projects that consist of **seven (7) or less units** will trigger Illinois Prevailing Wage Act requirements. The Authority's Davis Bacon Compliance Guide can be found on the Website.

## ***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 term protected class is used in U.S. anti-discrimination law to describe groups of people who are protected from discrimination and

harassment. The following descriptors characterize members of protected classes, as defined by federal and Illinois State laws.

- Federal: race, color, religion, national origin, sex, handicap or disability, and familial status.
- State of Illinois (includes federal plus the following): marital status, age, ancestry, military status, unfavorable military discharge, sexual orientation, and gender identity. One additional category, citizenship status, is protected for employment opportunity but not for housing.

### **1. 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.

### **12. Section 504 of the Rehabilitation Act of 1973 (“Section 504”)**

Section 504 prohibits discrimination in federally-funded programs. For a federally-assisted new construction housing Project, Section 504 requires five percent (5%) 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 (2%) of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.

For federally-financed housing rehabilitation Projects that result in substantial alteration, the new construction provisions of 24 CFR 8.22 (equivalent to that described above) will apply. Alterations are considered substantial if they are undertaken to a property that has fifteen (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 fifteen (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.

### **13. 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.

### **14. *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](http://www.ada.gov/olmstead/q&a_olmstead.htm)

### **15. Illinois Human Rights Act**

The Illinois Human Rights Act provides equal access to residential housing choices regardless of race, color, religion, sex, age, handicap or disability, familial status, national origin, marital status, ancestry, military status, unfavorable military discharge, sexual orientation, or citizenship status.

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

Projects will comply with Section 3 of the Housing and Urban Development Act of 1968 if an awarded loan or grant from a funding source triggers such requirement. 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 Projects will prepare a tenant selection plan, management plan, management agreement, affirmative fair housing marketing plan, and sample lease 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, and, if the Project involves the acquisition of existing condominiums or homes, a plan to engage and gain the support of any existing condominium or homeowner associations.

## ***H. Regulatory Period***

Projects 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 30-year period.

### ***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.