



ILLINOIS HOUSING DEVELOPMENT AUTHORITY

REQUEST FOR APPLICATIONS

Permanent Supportive Housing Round VI

**Deadline:
5:00 P.M. on 10/18/2019**

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
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**Request for Applications
Permanent Supportive Housing Development**

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Section 1: Definitions

Applicant – shall mean the Sponsor that has applied for funds pursuant to this Request for Applications (RFA). 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 (RFA) 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 people who need supportive services to access and maintain affordable housing, are experiencing or at risk of homelessness, are living with disabilities, and/or are experiencing or at risk of institutionalization. The housing should be permanent (not time-limited, not transitional), affordable (typically rent-subsidized or otherwise targeted to the extremely-low-income who make 30% of the area's median income or below), and independent (tenant holds the lease with normal rights and responsibilities). Services should be flexible (responsive to tenants' needs and desires), voluntary (participation is not a condition of tenancy), and sustainable (focus of services is on maintaining housing stability and good health).

Pre-Screening, Assessment, Intake, and Referral Module (PAIR) – shall mean the waiting list management system that includes Statewide Referral Network or SRN units. PAIR allows for the pre-screening of individuals for eligibility through an initial questionnaire, which collects

more details of those who potentially qualify for continued assessment, and provides intake onto a waiting list. The waiting list managers then facilitate matching and referrals of qualified applicants to SRN units.

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 30% AMI 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 living with a disability and households experiencing homelessness or at-risk of homelessness who are at 30% AMI or below and need access to supportive services in order to maintain housing.

Tenant Selection Plan – shall mean the plan that specifies procedures that will be followed to select tenants for the Project, including qualifying criteria and target populations.

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 Illinoisans who either are in need of Permanent Supportive Housing, or need reduced barriers to housing. In addition, the PSH Development Program will provide a minimum number of SRN units in each funded Project.

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 Projects that because of their size are not a good candidate for financing through 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. Projects with an allocation of Low Income Housing Tax Credits (LIHTC) or contemplating use of the LIHTC are not eligible Applicants under this RFA. Projects applying under this RFA must have a minimum of 50% of units affordable at or below 30% AMI for Supportive Housing Populations, a minimum of 10% Statewide Referral Network Units, and may not include units above 60% AMI unless a non-Authority source is used to fund such units. All units funded by the National Housing Trust Fund shall be restricted as 30% AMI units.

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.

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 on page four.

Eligible activities under the Permanent Supportive Housing Development Program include but are not limited to:

- Acquisition of currently vacant units or buildings to offer newly available units that will serve Supportive Housing Populations in a minimum of 50% of the units;
- Modification of currently vacant units or buildings to achieve full accessibility for persons with disabilities and offer newly available units that will serve Supportive Housing Populations in a minimum of 50% of the units;
- Rehabilitation of currently vacant units or buildings to offer newly available units that will serve Supportive Housing Populations in a minimum of 50% of the units;
- New construction of units or buildings that include units that will serve Supportive Housing Populations in a minimum of 50% of the units. 50% of the units will be restricted to 30% AML.
- Rehabilitation of existing Permanent Supportive Housing. The existing housing shall be or become disability neutral, shall not have age restrictions, or shall remove any age restrictions, and shall be willing to set aside a minimum of 10% of the units for referrals from the Statewide Referral Network upon turnover of existing tenants.

The Authority welcomes creative models that will help meet a diverse array of 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 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. Projects 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.

Funding under this RFA may be used to create office space that is specifically used for social services, or building management functions; additional office space must be paid for by a non-Authority source.

Transitional Housing, Housing with age restrictions, and Community Integrated Living Arrangements (CILA) are not eligible activities 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. In addition, Projects will be evaluated for Authority administered rental assistance in the form of either Section 811 Project Rental Assistance, or Long Term Operating Support (LTOS).

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 or tax attorney 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

A minimum of 50% of the units shall be for Supportive Housing Populations and restricted at 30% of the Area Median Income: this requirement may be fulfilled with units receiving a higher rent level if the units are covered by project based rental assistance for a minimum of 15 years with tenants paying no more than 30% of their income towards rent and utilities. At minimum, every Project funded pursuant to this RFA shall set-aside at least 10% of total units as SRN Units. No units may exceed a 60% AMI designation unless a non-Authority resource is used to fund such units. Exceeding the minimum number of SRN Units, and/or offering additional 30% AMI units not subject to the Statewide Referral Network is encouraged.

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

All Projects shall serve the Supportive Housing Population, as defined on page four, in a minimum of 50% of the total Project units under this RFA.

All Projects shall be disability-neutral unless a committed or anticipated capital or operating subsidy source requires disability-specific targeting. In practice, this means that unless otherwise dictated by another committed capital or operating subsidy source, units shall 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 required under the RFA;
- 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.

H. Application Workshops

Sponsors are strongly encouraged to attend one of four (4) Application workshops which will be held in Chicago, Rockford, Springfield, and Marion. Dates and times for these workshops are available on the Authority's website.

Section 2: Application Submission and Evaluation Process

A. Application Submission and Fee

Applications are accepted on-line through the Multifamily Portal at <https://mfportal.ihda.org>. The Authority will issue a username and password for access to the on-line portal within 3 business days following the submission of the Account Request form. The form is located within the Developer Resource Center component of IHDA's website, <https://ppa.ihda.org/>. Please note that “**yes**” should be marked for the question “Are you participating in a special application round...” and that the special application round name should be entered as **Permanent Supportive Housing Round VI**. Applications will not be accepted in paper form. Please direct any questions to pshrfa@ihda.org.

All Application materials and fee information are available on the Website. To submit the application fee, please fill out the Multifamily Fee Payment Form for the PSH Development Round, upload a scanned copy in the Portal, and mail the original copy with the check payment to:

Illinois Housing Development Authority Receipts and Fees
26411 Network Place
Chicago, IL 60673-1264
RE: Permanent Supportive Housing Round VI Application Fee

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. Permanent Supportive Housing Development Application Certification

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

- Take actions to affirmatively further fair housing;
- 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, or the Long-Term Operating Support Program.

Such assistance cannot be assumed to be available to support the Project's operating budget at the time of application through the Permanent Supportive Housing 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. *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.

C. *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 Project, 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.

D. *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.

E. *Public Outreach*

Local support is not a requirement for project funding. However applicants should be aware that the Authority is required to notify local government officials of projects funded within their district, and to give them a reasonable opportunity to comment on the project. Applicants may benefit by communicating project plans to local officials early in the process, and addressing their feedback. Where possible, applicants should make an effort to be consistent with local plans.

Public Outreach may be demonstrated by a letter of support from the chief elected official of the primary municipality in which the Project is located; or a description of efforts to notify local

officials. If local officials decline to support the project, the application should address any specific concerns that have been raised about the Project.

If the applicant is able to obtain a local letter of support, the letter should be addressed to the Authority and specifically endorse the Project. If applicable, local support letters should also include information regarding any availability of local resources (for example, TIF, CDBG, or HOME Funds) from the jurisdiction in which the Project is located and the willingness of the jurisdiction to provide such resources to the Project, if available.

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

Projects located in jurisdictions that have a Consolidated Plan should submit a certification of consistency with the Plan. For a list of counties and municipalities covered by a Consolidated Plan see the Website. All federal funds administered by the Authority will also be evaluated for consistency with the state of Illinois Consolidated Plan.

F. Site Control

All Project Sites must be identified in the Application. Projects consisting of multiple sites must satisfy Site control requirements for all Sites.

The Application must include all of the following:

- 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.

G. Zoning

The Application must include evidence that all Sites are either currently zoned for the proposed use, or will be addressed through a Planned Development or Planned Unit Development (“PUD”) process.

1) Zoned Project Sites

Evidence that Sites are currently zoned for the proposed use can only be demonstrated through:

- A valid building permit; or
- A letter from the local zoning administrator (or chief elected official in localities without a zoning administrator) identifying the Project and containing all of the following:
 - 1) The location of the Site (s) (e.g. address or street crossings); and
 - 2) The current zoning and any special use designations; and
 - 3) A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
 - 4) A statement that the current zoning will permit the proposed Project.

2) PUD Project Sites

In cases where zoning will be addressed through a PUD process, sponsors must indicate whether the PUD already exists, or whether it is yet to be established.

If the PUD already exists, the application should indicate what, if any, amendments are required.

If the PUD is yet to be established, the application should indicate where the PUD stands in the approval process, the additional steps required to complete the approval process, and an estimated timeline for completion.

As evidence of the PUD status, 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:

- 1) The location of the Site(s) (e.g. address or street crossings); and
- 2) A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
- 3) A written explanation of the PUD approval process; and
- 4) Evidence the PUD process has been initiated; and timeline for completion.

H. 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.

I. 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.
- Identify construction cost impact, if any, for building in a floodplain or floodway.

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.

J. 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)
- Two (2) picnic tables and one (1) grill
- Looped walking paths or connected sidewalks through the entire Project
- An equipped sports court (volleyball, tennis, basketball, etc.)
- 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

- Green Roof with available seating or other community activity area available on the roof
- Exercise / fitness center with at least three (3) machines
- 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 Project title, development team, drawing index, building areas and code information; and
- Dimensioned floor plans, including square footage, for all unit and building types, with room designations and proposed finishes; 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.

K. *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.

L. *Construction Cost Breakdown*

The Application must include:

- The Construction Cost Breakdown forms completed by a qualified contractor, Architect of Record, or construction cost consultant. Construction Cost Breakdown form is located in the 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.

M. *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 Projects which have been cited for material and/or continuing, but curable, noncompliance. Material noncompliance exists when a party exhibits a continual pattern of noncompliance, or when a party demonstrates an inability or an unwillingness to resolve noncompliance in a timely manner.
2. A Participant (including any affiliates) has experienced any events of foreclosure or failed to perform under the terms of a workout agreement over the past three (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.

N. Statewide Referral Network Agreement

All Applications must include a draft Statewide Referral Network Agreement. The agreement form can be found on the Website. The draft Statewide Referral Network Agreement does not need signatures from any parties to the Agreement.

O. Financial Feasibility

All Applications must demonstrate that the Project is financially feasible. The following is a description of the areas, along with expected limits, which will be evaluated in order to determine financial feasibility.

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%
- Contingency will be prorated for projects that are a combination new construction and rehab.

- **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.

- **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 Project.
- 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 2019 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.

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.

6. Third Party Studies

Projects must budget \$15,000 to \$25,000 for third party studies. Any or all of the following may be required and should be anticipated in the budget: 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.

7. 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.

8. 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; the length of the abatement

and a real estate tax attorney's opinion the Project is eligible for the abatement or exemption.

- **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.

9. Authority Fees

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

10. 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.

11. 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.

12. 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.

13. Evidence of Project Financing

All Applications must reflect adequate sources of financing in order to complete the Project, including any contemplated 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. Projects 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 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:

Leveraged Resources as Percentage of Total Project Sources	Points
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. 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:

Percentage of Units Assisted	Points for 10+ Year Commitment	Points for 5 Year to 9 Year and 11 Month Commitment
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.

SRN Units within Permanent Supportive Housing Projects	Points
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 Five (5) additional Universal Design items beyond mandatory requirements in 50% of units	10
Projects which select Five (5) additional Universal Design items beyond mandatory 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"> • Commit to obtaining EPA Energy Star certification -or- • Minimum 10% improvement for new construction (5% for rehab) above ASHRAE 90.1 2010 proven by a completed energy model, -or- • HERS rating of 75 or lower
2	Commit to obtaining a sustainable building certification from one of the following: <ul style="list-style-type: none"> • U.S. Green Building Council LEED certification -or- • Enterprise Green Communities 2015 certification -or- • ICC 700 National Green Building Standard certification
5	Meet minimum standards in the Authority Standards for Architectural Planning and Construction indicated for Energy Efficiency and Green Criteria; and Commit to obtaining a sustainable building certification from one of the following: <ul style="list-style-type: none"> • Passive House Certification through PHiUS or PHI -or- • Certification through Living Building Challenge -or- • Alternative certification for a high performance building achieving 'Net Zero Capable' status as approved by the Authority.

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 5:00 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 5:00 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 –AND– 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>.

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 Authority Board approves the Application, a conditional commitment letter (CCL) 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 CCL 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 CCL in the Authority's sole and absolute discretion within the time frame specified therein, the funds will be awarded as provided in the CCL.

Among the requirements in the CCL 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. 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.

2. 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.

3. 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.

4. 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

5. 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. Tenant selection plans may not include preferences for location/residency, specific disability or age

without prior written approval from the Authority and other appropriate parties in accordance with applicable laws and regulations.

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.