City of Chicago
Department of Housing

Multi-Family Housing
Financial Assistance
Application Instructions
2023

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Section I: Introduction and Application Instructions

A. Overview

The purpose of this document is to assist developers and members of the public in navigating and completing the City of Chicago's Department of Housing ("DOH," "Department") Multi-Family Housing Financial Assistance Application. Listed below are guiding principles, including an outline of the selection process and selection criteria, required documentation, underwriting policies and guidelines, and available funding sources.

Multi-Family Housing Financial Assistance Application

DOH invites applications from developers for public funds and other subsidies which are necessary to pay a portion of the project-specific costs of rehabilitating or constructing rental apartments within the City of Chicago. All developers seeking DOH funds or other assistance to rehab, construct, or refinance multi-family affordable rental housing developments must complete and submit this application.

In a context of limited resources, applications are intended to enable DOH to assess a project's economic feasibility, its impact on the surrounding community, and its ability to meet a specific affordable housing need or policy priority. Funding under each program is constrained by the availability of resources. At any point in time, DOH may not be in a position to accept applications for financing from one or more sources.

This application should be completed for all projects, regardless of whether it is submitted pursuant to Section II.B of the 2023 Qualified Allocation Plan or outside of a scheduled funding round.

B. Funding Sources

DOH assists developers with multi-family financing by allocating public funds and other subsidies necessary to pay a portion of project-specific costs of rehabilitating or constructing rental apartments within the City. The following provides a brief description of the financing programs currently administered by DOH and are subject to change pending availability.

Affordable Housing Opportunity Fund (AHOF): Funding collected from the Density Bonus and in-lieu fees from the City of Chicago's Affordable Requirements Ordinance (ARO) are administered by DOH via the Affordable Housing Opportunity Fund. Half of the funds deposited into the Affordable Housing Opportunity Fund are used for the construction or rehabilitation of affordable housing units and funding authority is subject to appropriation by the City Council. AHOF funds typically are required to serve households earning 60% Area Median Income (AMI) or below.

Chicago Recovery Plan (CRP): CRP bond proceeds can be utilized to fill gaps in multifamily projects; enable the creation of permanent supportive housing units (PSH); or the addition of decarbonization efforts. Funds for the development of mixed-use housing can be provided as a loan or grant to a developer or related entity, and are intended to close development gaps in catalytic, preferably mixed-use developments.

Funds to create Permanent Supportive Housing (PSH) or fund decarbonization efforts can be provided as a grant only and may reduce a project's eligible basis. These requirements are based on the City's presumed source of financing for each CRP fund; the City reserves the right to select an alternative financing source, which may in turn modify these terms.

Community Development Block Grant (CDBG): CDBG funds assist both non-profit and for-profit developers in rehabilitating and developing affordable rental housing for low-and moderate-income persons and households. Fifty-one percent of all units within the project must be occupied by low-and moderate-income households (60% AMI and below) unless the project meets a specific exception to reduce the cost of construction. The annual City of Chicago Action Plan, administered by the Office of Budget and Management (OBM) and approved by the U.S. Department of Housing and Urban Development (HUD), determines the annual CDBG allocation to the Multi-Family Loan Program.

HOME Investment Partnerships Program (HOME): HOME funds are provided by HUD to the City to expand the supply of decent, safe, and affordable housing for low-income persons and households. For multi-family rental developments, the City invests HOME funds as interest bearing loans, non-interest-bearing loans, interest subsidies, deferred payment loans, grants, or other forms of assistance consistent with the purposes of the HOME requirements. Activities funded with HOME funds are required to comply with all regulatory provisions of the HOME program as codified at 24 CFR Part 92. Projects receiving HOME funds will be subject to DOH HOME Rental Housing Development Policies and Procedures. The HOME regulations and DOH policy require that sufficient project units be designated as HOME-assisted fixed units. At least 20% of the HOME designated units must be held affordable at 50% AMI. The annual City of Chicago Action Plan, administered by the Office of Budget and Management and approved by the U.S. Department of Housing and Urban Development, determines the annual HOME allocation to the Multi-Family Loan Program.

HOME American Rescue Plan Program (HOME-ARP): The HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) provides funding to HOME participating jurisdictions to reduce homelessness and increase housing stability across the country. HUD allocated HOME-ARP funds through the HOME formula (24 CFR 92.50 and 92.60) to the City of Chicago. Funds available through this program are subject to an allocation plan based on HOME-ARP requirements and final HUD approval. The City's HUD approved HOME-ARP allocation plan includes a designated portion to provide capital investment in the development of permanent supportive housing. The available funding must be utilized to house people who meet the needs of HOME-ARP qualifying populations. These "qualifying populations" include people who are homeless, at risk of homelessness, or other vulnerable populations. More information about funding requirements can be found within the Chicago HOME-ARP Application Plan reviewed and accepted by the U.S. Department of Housing and Urban Development (HUD) can be found here.

Illinois Affordable Housing Tax Credits (IAHTC), also known as Donation Tax Credits (DTCs): A $0.50 State of Illinois income tax credit for every $1 that is donated to an eligible affordable housing development. DOH allocates 24.5% of the amount of credits authorized by the State. Developers apply through DOH's Multifamily Financial Assistance Application. Successful applicants receive a conditional tax credit reservation letter based on the amount of the donation and determination that the undertaking is compatible with the goals of the Department. At least 25% of units in a DTC-assisted rental project must be affordable to households earning no more than 60% AMI.

Low-Income Housing Tax Credit Program (LIHTC): A federal tax credit issued via a competitive funding round in accordance with DOH's LIHTC Qualified Allocation Plan (QAP). For LIHTC projects, at least 20% of the units must be affordable to households earning no more than 50% AMI; at least 40% of the units must be affordable to households earning no more than 60% AMI; or, if income averaging is approved for the project, at least 40% of the units are low-income units with an average AMI of 60% or less.

Tax-Exempt Bonds: Provides bond financing, through the City's tax-exempt bonding authority, for developers who build or rehabilitate large housing developments for low- and moderate-income renters and generates private equity investment. A TEFRA hearing is required for Tax Exempt Bond deals. A 14-day notice must be published in advance of the TEFRA hearing to be held at Finance Committee

Tax Increment Financing (TIF): Tax Increment Financing is a special funding tool used by the City of Chicago to promote public and private investment across the city. Funds are used for affordable housing projects, among other uses. Funds are generated by growth in the Equalized Assessed Valuation (EAV) of properties within a designated district over a period of 23 years. Funds collected from Tax Increment Financing districts provide grants to developers for certain TIF-eligible costs. Developers with proposal sites located in a TIF district or applying for TIF assistance are required to submit supplemental TIF information that identifies the TIF district, Parcel Index Numbers (PIN), demonstrates need, and includes a budget of TIF eligible expenses. TIF funds are typically required to serve households earning less than 80% AMI, although other project sources may require deeper affordability. Developers interested in applying for TIF assistance must read and complete the supplemental TIF information.

C. Other Resources

Chicago Low-Income Housing Trust Fund (CLIHTF): Developers are encouraged to seek additional assistance directly from CLIHTF to further reduce the rent levels for households earning 0-30% AMI. The CLIHTF Multi-Year Affordability through Upfront Investment (MAUI) Program provides long-term operating support in new and rehabilitated rental housing to assist Chicago's low-income residents living under 15% of the area median income.

MAUI funds are awarded to qualifying developers annually, on a competitive basis, in the form of rental subsidies or a forgivable, zero interest capital construction grant. MAUI Rental Subsidies and Capital Grants carry a 15–30-year regulatory term. Rental Subsidies are payable quarterly in advance for units leased to a qualified household. Capital grants substitute a debt-service-free MAUI grant for a portion of the conventional first mortgage financing, in exchange for lowered rent amounts on MAUI designated units.

MAUI is open to considering proposals where project financing is in progress but has not yet closed. For more information, please visit https://www.clihtf.org/programs-and-initiatives/maui.

Chicago Continuum of Care (CoC): Developers whose projects include commitments to providing supportive housing for residents experiencing homelessness are encouraged to seek additional assistance directly from the Chicago Continuum of Care. A Continuum of Care (CoC) is a local planning body that coordinates housing and supportive serving funding for homeless individuals and families. A CoC is required to have a plan in order to be eligible for the U.S. Department of Housing and Urban Development (HUD) McKinney Vento Homeless Assistance Funds.

IHDA, HUD and CHA: Applicants whose projects also receive assistance from the Illinois Housing Development Authority (IHDA), the U.S. Department of Housing and Urban Development (HUD), or the Chicago Housing Authority (CHA) should be aware that, where policies and standards conflict, the stricter policy standard will apply.

Applications that include commitments for CHA funds or units (including capital subsidy, operating subsidy, or project-based Section 8 vouchers) must submit a commitment letter from the CHA with their application. Selections for development or acquisition must be approved by the CHA Board of Commissioners.

DOH recognizes that approval timelines for CHA resources can be longer than those for DOH resources, particularly since mixed finance transactions must be approved by HUD. DOH will only award resources to those projects that, in the sole discretion of DOH, are likely to receive approval and be able to close during the time period envisioned for utilization of DOH resources.

D. Selection Criteria and Preferences for LIHTC and Other City Sources

DOH publishes a Qualified Allocation Plan (QAP) that establishes the Selection Criteria and Preferences used to inform how Low-Income Housing Tax Credits (LIHTC) and other funding sources are allocated to finance affordable multifamily developments. The City revisits its priorities every two years making updates to the QAP and will host a corresponding funding round to accept proposals. All applications, regardless of whether it is submitted pursuant to Section II.B of the 2023 Qualified Allocation Plan or outside of a scheduled funding round, are subject to the requirements contained in the 2023 Qualified Allocation Plan and the 2023 DOH Architectural and Technical Standards Manual.

Section III of the QAP details federal mandatory selection criteria and the department's development goals as conveyed in its Priority Tracts, Policy Objectives, and Tax Credit Reservation Requirements. The following summarizes these goals.

Priority Tracts

To ensure affordable housing is equitably distributed across geography and market type, DOH established a Priority Tract framework to align affordable housing investments across Chicago's varied housing needs. The framework is divided into five funding tracts with distinct requirements for each. Successful applicants seeking funding should select a single Priority Tract and ensure their proposal aligns with the specific goals and requirements articulated therein. Note: **All** Priority Tracts require 5% of total units are set-aside for permanent supportive housing units.

Priority Tract 1: Opportunity Areas are generally census tracts for which more than 50% of households earn more than 100% of the Chicago median income in the last three consecutive years for which data is available, and the poverty rate is less than or equal to 20% during the same period.

Priority Tract 2: Redevelopment Areas are generally areas consisting of census tracts with low to moderate incomes which have an ongoing and active comprehensive community revitalization initiative, plan, or effort. Evidence of the revitalization initiative and/or plan should be provided by the applicant, such as (by example only, and not limited to) the location is within an INVEST South/West planning area.

Priority Tract 3: Transitioning Areas are generally those for which data shows that median rents, median household incomes, and median home sale prices have increased by at least 20% in total each over the last three consecutive years for which data is available and have lost affordable housing units as a result.

Priority Tract 4: Recapitalization of Existing Affordable Housing leverages 4% LIHTC and TEB, projects will provide for the recapitalization of existing affordable housing developments.

Priority Tract 5: Permanent Supportive Housing projects commit at least 50% of units to households at 30% of the Chicago area median income, who need supportive services to access and maintain affordable housing, including households experiencing or at risk of homelessness, returning from jail or prison, homeless under other federal status, and fleeing or attempting to fee gender-based violence and/or human trafficking (see the 2023 QAP appendix for more information).

E. Other City of Chicago Policy and Financing Priorities

Strong proposals will use the narrative portion of an application to speak to how their proposed developments will address and advance other policy priorities of the City of Chicago. They are as follows:

Racial Equity Impact Assessment (REIA) on the Qualified Allocation Plan (QAP)

Building off the policy objectives set forth in the 2021 Racial Equity Impact Assessment (REIA) on the QAP, DOH held a series of listening sessions to understand how the 2023 QAP can be used to advance a racially equitable funding allocation process to drive opportunities for community-wealth building.

This has led to the following changes in the 2023 round,

1. Developers may include a portion of their financial consultant fees as part of the capital stack. See Section III.J for guidance on the developer fee.
2. Additional guidance on how the Department will evaluate partnerships through a Material Participation Matrix that will guide how partnerships and the developer fee are split and vetted in order to ensure meaningful participation across a range of partnerships to support the continued growth and capacity of smaller Black, Indigenous ad People of Color (BIPOC) -led developers service firms.

The following preferences remain in 2023:

1. Developer teams with BIPOC-led developers, professional service teams and/or social service providers.
2. Joint ventures or partnerships that ensure small, BIPOC-led firms and nonprofits have material participation in a manner that promotes their growth.
3. Partnership or development teams composed of nonprofits, Community Housing Development Organizations (CHDOs) and BIPOC-led companies that cannot be certified as Minority-Owned Business Enterprises/Women-Owned Business Enterprises (MBE/WBE).

Evaluation of Material Participation

DOH will evaluate the following development team members: Developer(s), General Partner(s), Owner(s), Property Manager, Architect, Consultant(s), Lead Referral Agency (for permanent supportive housing), and the Service Provider (for permanent supportive housing and service-enriched housing).

Items considered include, but are not limited to:

1. The material participation of Minority Owned-Business Enterprises/Women-Owned business Enterprises (MBE/WBE), BIPOC-led firms, and non-profits.

For-profit BIPOC-led firms are defined as those companies that, at the time of application, can provide documentation of current MBE certification acceptable to DOH. This includes project teams with participants that include architects, property managers, and general contractors holding current MBE/WBE certificates with acceptable certifying agencies.

BIPOC-led non-profit organizations are defined, at time of application, as having a minimum of 35% of director-level employee leadership as BIPOC, including the Executive Director and a share of those employees reporting directly to the Executive Director. This will be evidenced via self-certification and a completed Organizational Chart Template at the time of application. *NOTE: Board composition is not considered.

A partnership is defined as a project sponsor, general contractor, architect, or management agent that partners with a MBE/WBE or BIPOC-led For-Profit or Non-Profit entity with the goal of building the entity's capacity to develop, manage, construct, design, or own affordable housing in the future.

A joint venture is defined as partnerships with deal structures that build the capacity of small, emerging BIPOC-led developers and clearly indicate how the responsibilities of the development will be split among partners.

2. If the Sponsor or co-developer has assumed more direct development responsibility since the last completed project.
3. If the Applicant is using a development consultant to show capacity, the Applicant must submit a copy of the executed contract detailing terms, conditions, and responsibilities between the Applicant and the development consultant.

Material Participation Matrix for Development Team

1. Ownership

BIPOC or MBE/WBE-led for-profit or non-profit entity with at least a 51% stake in all aspects of development control including not limited to ownership, cash-flow, and voting rights. Examples include the narrative section of the 2023 QAP, signed and dated certification statement, ownership documentation, or other third-party verification that provides documentation that the entity meets the definition.

2. Joint Ventures/Partnerships

The project sponsor, general contractor, architect, or management agent partners with a BIPOC or MBE/WWBE entity with the goal of building the entity's capacity to develop, manage, construct, design or own affordable housing in the future. Examples include the narrative section of the 2023 QAP demonstrating: (a) a BIPOC or MBE/WBE entity performing as a joint venture partner with the general contractor to perform some defined portion of the general contractor role, (b) a BIPOC or MBE/WBE entity entering a joint venture or subcontracting with a service firm to perform some defined portion of the work. This is evidenced through an agreement executed between the partnering entity(ies) that defines specific duties and roles and explicitly states the goal of building the BIPOC or MBE/WBE's capacity to develop, manage, construct, design, or own affordable housing in the future.

INVEST South/West

The INVEST South/West initiative will align more than $750 million in public funding over the next three years, while seeking to maximize those public investments in order to attract significant additional private and philanthropic capital, respond to changing commercial trends, and enrich local culture. With a focus on 12 key commercial corridors in the 10 communities, INVEST South/West collectively supports infrastructure development, improved programming for residents and businesses, and policies that impact each of the community areas surrounding these corridors to create lasting impact.

DOH is proud to be a funder of, and partner to, this initiative. Projects which align with INVEST South/West goals and incorporate affordable housing components, are a policy priority of the Department.

Equitable Transit-Oriented Development (ETOD)

ETOD is development that enables all people regardless of income, race, ethnicity, age, gender, immigration status or ability to experience the benefits of dense, mixed-use, pedestrian-oriented development near transit hubs.

The Connected Communities Ordinance significantly expands the number of parcels eligible to benefit from reduced parking incentives to help development near transit remain affordable.

To be defined as ETOD, a proposal must minimally meet the Transit Served Location distance requirements which stipulates the development must be located within ½ mile of a CTA rail station, ½ mile of a METRA station, or ¼ mile of a high-frequency bus line. The bus routes designated as high-frequency are listed in the [Connected Communities Ordinance](). DOH additionally considers transit proximity by mobility tiers (as described below), quality of amenities relative to surrounding market conditions, quality of the built environment, and promotion of community arts.

Type of Transit Stop	Transit Tier 1 (Minimum)	Transit Tier 2 (Medium)	Transit Tier 3 (High)
High-frequency bus	< 1320 ft. (¼ mi)	< 1000 ft. Plus near 1 of below: - High-frequency bus stop - Divvy station - High-quality bike lane	< 660 ft. Plus near 2 of below: - High-frequency bus stop - Divvy station - High-quality bike lane
Metra station	< 2640 ft. (½ mi)	< 1000 ft. Plus near 1 of below: - High-frequency bus stop - Divvy station - High-quality bike lane	< 660 ft. Plus near 2 of below: - High-frequency bus stop - Divvy station - High-quality bike lane
CTA rail station	< 2640 ft. (½ mi)	< 2000 ft. Plus near 1 of below: - High-frequency bus stop - Divvy station - High-quality bike lane	< 1320 ft. (¼ mi) Plus near 2 of below: - High-frequency bus stop - Divvy station - High-quality bike lane

The Department prioritizes using scarce affordable housing funds for new homes over parking. Accordingly, DOH does not fund public parking or commercial parking for off-site businesses. While some developments will continue to have parking for residents and on-site commercial, DOH encourages applicants to carefully analyze the amount of parking needed at a given site and expects projects to take parking reductions to allow for the cost savings of building near public transportation to be realized.

Mixed-Income Developments

In order to reduce concentrations of poverty and stabilize buildings and neighborhoods, the department encourages applications for mixed-income developments where it is feasible to attract mixed-income populations. In many instances, these mixed-income developments will establish tiered rent levels, with the result that all the units within the development will be eligible for DOH financing. The Department encourages Income Averaging for LIHTC applications which encompass a mix of affordable units and market rate units across a range of incomes.

5% Permanent Supportive Housing (PSH) Unit Set-Aside Requirement

As part of DOH's commitment to distribute tax credits to assist a diversity of populations in need of affordable rental housing, including residents experiencing homelessness and residents currently living in permanent supportive housing (PSH) who no longer need intensive services, the Department in partnership with the Chicago Continuum of Care ("Chicago CoC") is requiring projects applying under all Non- PSH priority tracts to set-aside a minimum of 5% of the total units to operate as Permanent Supportive Housing (PSH) for households currently living in PSH who no longer need rental subsidies or intensive supportive services and are ready to move into affordable housing options in the community in the form of a LIHTC rent-restricted unit.

Applicants are required to underwrite the 5% set-aside PSH units at 30% AMI. The required 5% PSH set-aside can be applied to meet the preference outlined under Section 42 (m) for projects proposing 10% or more of the units to be designated for very low-income tenants (households with incomes that are at or below 30% of the area median gross income adjusted for family size).

5% PSH Unit Set-Aside Referral Pathways

DOH is requiring the Owner and/or Property manager to partner with the Chicago CoC to fill set-aside units through a referral, prioritization, and enrollment process administered by the designated lead of the Coordinated Entry System (CES). The following relief provision will be considered for developments with 5% PSH set-aside units:

If, after a 60-day period from the date of initial PSH unit-lease up or identification of a vacant unit, a PSH Unit(s) is unable to be occupied by a household referred through the Coordinated Entry System (CES), the Developer/Property Manager must notify DOH. The developer is permitted to lease the PSH unit to the next income-eligible tenant or can leverage other rental or operating subsidies that support housing residents at 30% AMI and below.

Permanent Supportive Housing Priority Tract (PSH)

DOH has committed to amplifying a one-time federal funding opportunity to finance new units of Permanent Supportive Housing for extremely low-income households experiencing or at risk of homelessness through a new priority tract within the QAP.

All Projects applying under the Permanent Supportive Housing (PSH) priority tract must be disability-neutral unless a committed or anticipated capital, operating subsidy source, or supportive services source requires disability-specific targeting. Examples of this include but are not limited to: Housing Opportunities for People with HIV/AIDS (HOPWA). Unless otherwise dictated by another committed capital or operating subsidy source, units must be open to serving households headed by persons experiencing literal homelessness, released from a prison/jail, living doubled-up, and fleeing or attempting to flee gender-based violence (GBV) and or/human trafficking (HT).

Additional PSH tract requirements regarding population definitions, service provision, and tenant selection guidelines can be found in the 2023 QAP appendix.

PSH Referral Pathways
For households that meet the Continuum of Care (CoC) PSH unit eligibility requirements determined by category 1 of HUD's homeless definition (§ 578.3) and HUD's chronically homeless[1] definition, the Coordinated Entry System (CES) and Homeless Management Information System (HMIS) will continue to be utilized as a referral source. The Chicago Continuum of Care (CoC) manages the CES which is a centralized process for conducting a standardized needs assessment and prioritization system for referrals to housing and services for people experiencing homelessness.

For Developers utilizing the local CoC CES process as the primary referral mechanism, the developer, operator, or manager must notify the CES administrator to initiate the unit referral process for the initial lease up and subsequent vacant PSH units. If a PSH unit is not occupied within 60 days of this notification, the developer may fill the unit with an income-qualified household through an alternative referral process of their choice.

DOH acknowledges that HUD rules governing access to PSH funded by the Continuum of Care Program excludes residents experiencing homelessness by living doubled-up and temporarily staying with others and residents with institutional stays of more than 90 days. Flexible funding sources for permanent supportive housing create the opportunity to remove exclusionary factors that currently exist within the CES. As such, DOH, together with the Department of Family and Support Services and the Continuum of Care lead agency for the CES intend to work together with those communities to develop new referral processes for projects that are applying via the PSH tract who are seeking to serve priority populations such as returning residents, residents living doubled-up, and survivors of gender-based violence and human trafficking (GBV/HT). DOH will assess the feasibility of housing the new referral processes within the CES.

PSH Supportive Services
Projects proposed within the PSH tract are required to complete the Supportive Services Plan (SSP) section of the application. This information will be reviewed and evaluated by a panel of supportive housing experts. The panel will evaluate how proposed services align with population needs, services design standards, community priorities, and Housing First best practices. The panel evaluation will then serve as a component of the overall Phase 1 application evaluation process.

Provision of Supportive Services
Supportive services are an important component of many affordable housing developments, and the Department realizes that many low-income populations dwelling within DOH-assisted developments may benefit significantly from participating in on-site social and supportive services.

Senior Housing and Supportive Housing Projects are required to provide a Supportive Services Plan (SSP). The SSP must identify the population served, include specific supportive services to be provided, and identify partnerships with qualified service-provider agencies. Supportive services are required to be voluntary (participation is not a condition of tenancy) to tenants. We encourage developers serving Seniors and Supportive Housing Populations to present plans for fulfilling the specific needs of the target population, either directly or through relationships with qualified service provider agencies. Supportive services do not necessarily have to be available on-site; however, if they are required by a building's residents, they must be readily available within the community in which the proposed development is to be located.

For PSH development selected under Priority Tract V, DOH may allow the developer to increase its developer fee and allow this additional fee to cover costs associated with providing supportive services in the operating budget. Additional information is found in Section III.J.

Additional PSH tract requirements regarding population definitions, supportive service provision, and tenant selection guidelines can be found in the QAP appendix.

Applicable projects will need to demonstrate a service agreement with a social service provider and a funded source of rental subsidies (HUD CoC, PBVs, CLIHTF, Flexible Housing Pool, HUD 811, etc.).

Resiliency, Advanced Decarbonization, and Above-Code Energy Efficiency

As greenhouse gas emissions rise, climate change will pose increasingly greater risks to our health, economy, and general livelihoods. Low- and moderate-income Chicagoans—those residents DOH seeks to support and house—are disproportionately impacted by these changes, so building housing that is healthy and resilient is a critical DOH priority. Furthermore, heating, cooling, and lighting Chicago's building stock accounts for two-thirds of the city's carbon emissions, so designing buildings that decrease or eliminate emissions is a critical City goal with which DOH is aligned. For more information about these goals, please see Chicago's Climate Action Plan and Building Decarbonization Recommendations Report.

Relevant DOH documents have been modified to advance these priorities. DOH Architectural Technical Standards Manual now contains specific green building and decarbonization requirements (See Section 11.0 of ATS). The Multifamily Assistance application now asks specific questions about resiliency. and the Qualified Allocation Plan now preferences applications that exceed baseline green building requirements within reasonable cost, such as by incorporating:

1. Implementation of innovative building practices that substantially reduce greenhouse gas emissions over building lifecycle
2. Above-code insulation and energy efficiency measures that take meaningful steps towards net-zero energy use (with or without certification, e.g., PHIUS)
3. On-site renewable energy generation
4. On-site community resiliency design elements such as flood and extreme heat mitigation and backup power sources (with a preference for battery backup)

Additionally, all applicants must comply with relevant city-wide building policies, including the Chicago Energy Transformation Code, Energy Benchmarking Ordinance, Sustainable Development Policy.

Leverage of Private and Other Public Sector Funds

To conserve and maximize the use of limited public resources, the Department requires that developers make every effort to maximize project financing from non-DOH funds. The Department encourages developers to seek additional sources of subsidy, including direct awards from the federal government and funds provided by IHDA and the Federal Home Loan Bank. Some developers may need to engage in additional fund-raising efforts in order to fulfill their minimum equity requirements (see DOH Underwriting Policies in Section III below) or to supplement their project operating budgets.

DOH may reduce or forgo debt service to maximize a private first mortgage that can be maximized by private lenders employing underwriting standards which evidence the lenders' commitments to fulfilling their CRA obligations. DOH also requires developers who utilize LIHTC to seek a minimum of three bids from syndicators, in order, to secure competitive pay-in rates.

Adherence to Architectural and Technical Standards
The Department has established architectural and technical standards for multi-family developments, to ensure that City-funded affordable housing developments exemplify both high-quality construction and design excellence.

Development teams must review adhere to the Architectural Technical Standards (ATS) manual and the Department of Planning and Development's Design Excellence: Neighborhood Design Guidelines and incorporate these standards to the building and site design.

The Design review process is an iterative one: All applications must meet the requirements of the design review process and will likely change between application and funding. The Architectural Technical Standards Manual is located online, (linked here).

Other Policies and Procedures
The foregoing material is not a comprehensive statement of all DOH multi-family underwriting policies and procedures (see Section III below). Questions regarding the way these, and other policies, would apply to specific developments may be addressed to DOH staff by emailing the Housing Finance Division at HousingDevelopment@cityofchicago.org.

Section II: Application and Funding Processes

A. Overview
The following sections describe the steps involved with submitting the DOH Multi-family Financial Assistance Application and provide a summary of the process for selecting and funding projects.

B. Pre-Application
Prior to beginning the application, applicants are strongly encouraged to review all related departmental policies and procedures and schedule an Intake/Introductory meeting with DOH staff. The introductory meeting allows DOH staff to flag potential issues with an application proposal before it is formally submitted and provides an opportunity for developers to pose pre-application questions. To schedule a meeting, complete the Intake request form (linked here) with information about the proposed project including total number of units, location, targeted population, potential funding sources, and proposed budget. If a funding round is open, these meetings are limited to developments applying outside of the round. Applicants may request a pre-application meeting up until the funding round opens. The last pre-application meeting available for the 2023 Funding round will be June 2, 2023. Projects applying outside of the round may continue to request meetings on a rolling basis.

C. Two-Stage Application Submission
To limit pre-development costs, the application has two stages. The information submitted in Stage One provides DOH with the information necessary to compare projects' responsiveness to policy priorities and neighborhood goals; evaluate the capacity of the development team; and select projects to fund. Applicants selected for funding in the Round, or through other processes, will be invited to submit a Stage Two application for their project. Stage Two requires more in-depth information such as detailed architectural plans and environmental audits. For the complete list of application requirements, see Section II.E.

D. Preliminary Project Review

DOH Project Managers review Stage One applications and prepare a preliminary feasibility assessment known as the 'Preliminary Project Review' or PPR. The project manager uses the PPR to evaluate application completeness and alignment with departmental policies. In particular, the PPR will confirm and identify green features, environmental issues of concern, conformance with plans and zoning and/or landmark issues. The PPR will additionally assess:

- Alignment with funding and other policy priorities
- Capacity of development team
- Project development and operating budgets economic feasibility and reasonableness
- TIF projections and funding request feasibility and reasonableness
- Site control status
- DOH financing request feasibility and reasonableness
- Plan for meaningful, inclusive community engagement and support
- Project design in context with the neighborhood, and whether the neighborhood has amenities and services to support housing

DOH reserves the right to reject incomplete applications.

E. Application Checklist

MULTI-FAMILY APPLICATION CHECKLIST				
Tab/Folder Item		Description	Stage I	Stage II
--	Application Fee	Applications require a non-refundable application fee in the amount of $750 for not-for-profit companies and $1,500 for for-profit and all other companies, payable to the City of Chicago and submitted with the application. If the applicant is only seeking DTCs and no other City resources (including TIF and land), the non-refundable application fee is $500.	X	
A.	Cover Letter	Cover letter should provide a narrative description that succinctly and cohesively details the history of the site and project; amount of DOH financing requested, scope of construction work, total units, number of low, moderate, and market rate units, rental assistance if any, neighborhood description, and if applicable, relationship to larger redevelopment	X	

		effort. Additionally, the cover letter should address how the proposed project aligns with recommendations from DOH's Racial Equity Impact Assessment.		
B.	DOH Multi-family Financial Assistance Application Form	This is the core application form where information about the project should be captured including project description, development team/applicant information, address, site information, unit mix, and development and operating budget. For electronic/USB submissions, convert completed form into a PDF	X	Final
C.	Authorization and Certification (Form A)	This form certifies the accuracy of the application and confirms that all submitted applications become the property of the Department of Housing.	X	Final
D.	Tax Credit Applicants Authorization Certification (Form B)	This form certifies that the application meets the tax credit criteria, as detailed in the Internal Revenue Code, Section 42.	X	Final
E.	DOH Pro Forma and Subsidy Layering Review	Must use DOH developed template. Any deviation from underwriting policies that are modeled into the pro-forma as assumptions should be annotated and explained in the comments field of the "OpCosts" and "DevCosts" worksheets.	X	Final
F.	Financial Statements	Most recent three (3) years of personal and/or audited corporate financial statements available for the developer. The most recent three (3) years of audited financial statements for the project are required for any application for rehabilitation of an existing project.	X	Final

G.	Economic Disclosure Statement and Scofflaw Information	EDSs must be updated within three (3) months of Council introduction and immediately prior to the date of closing. Scofflaw results are valid for 120 days (4 months) from receipt of a “cleared” report from the City’s Department of Finance for the indebtedness check. Child support results are valid for three (3) months after submission.	X	Final
H.	Preliminary Design Review	PowerPoint summary of design specifications for project. Refer to Section 12.0 of the DOH Architectural Technical Standards manual for PowerPoint requirements.	Preliminary	Final
I.	Project Assessment Matrix	Excel template used to illustrate how the project design meets, exceeds, or misses guidelines from the Architectural Technical Standards manual. See Section V for link to template.	X	
J.	DPD Sustainability Compliance Form	Complete the Sustainability Compliance Form and provide a PDF copy. DPD approval also requires submission of compliance documentation, outlined in the Sustainable Development Policy Handbook.	X	Final
K.	Phase I Environmental Audit	Description of current and historical uses of site to assess likelihood of contamination. The audit must be performed by a qualified, licensed professional.	If available	Final
L.	Letters of Interest	Letters of interest from all proposed financing and equity sources that details amount, rate, term, and amortization. Three equity bids are required for Stage II.	X	Final

M.	Property Management Plan	Description of the management and operating standards and procedures governing the proposed development. Background on the property management entity including staff resumes should also be included.	X	
N.	Plan for Community Input	Description of the community engagement process and outcomes associated with the project, including any support and opposition to the project. See Section IV.B for more guidance.	X	
O.	Cost Estimate	The statement should include a narrative on estimator's letterhead of a description of work and cost estimates itemized by residential units, non-residential space, and off-site parking spaces. Entity preparing cost estimate is not eligible to bid as the GC on the project.		X
P.	Evidence of Site Control	Provide supporting documentation demonstrating site control for both residential and parking. Examples may include deeds, signed sales contract, option agreement, or trust agreement. If site control has not been secured, provide an explanation of status and planned steps for attaining site control for both residential and parking. If land is city-owned, provide documentation from DPD evidencing a hold of the site through the DOH application process.	X	Final
Q.	Applicant Experience	Provide a summary of experience developing, owning, and managing multi-family buildings, describe current portfolio	X	

		size, and include a copy of the developer's license. This section can additionally be used to expand on Question 8 in the DOH Multi-family Financial Assistance Application.		
R.	Tenant Selection Plan	Formal description of tenant eligibility requirements and income limits for admission. All pre-occupancy activities must be undertaken in a manner that does not discriminate on the basis of race, color, national origin, sex, religion, disability, or familial status. Plans shall describe owner policies for non-discrimination, accessibility, reasonable accommodations, income targeting, admissions procedures, marketing preferences, screening/rejection criteria (including criminal background and drug screening standards), waiting list procedures, unit inspections and occupancy standards, transfer policies, and treatment of security deposits.	Preliminary	Final
S.	Market Study	Comprehensive third-party market study that satisfies the Department's guidelines for such studies which demonstrate the housing needs of low-income individuals in the area to be served by the project and supports proposed rents and absorption assumptions. The market study must be dated within (1) year prior to City Council introduction with a reliance letter	If available	X

		naming the City as the intended user prior to closing.		
T.	Status of MOPD Approval	Developers are required to meet with MOPD and receive approval on the project’s accessibility, following DOH and DPD Design Reviews. MOPD Data Sheet must be submitted prior to City Council. Developers are encouraged to meet with MOPD at the earliest stage of design.		X
U.	Organizational Chart	Show diagram of proposed ownership structure with entity details (FEIN and role, e.g., general partner, limited partner, manager, etc.) and ownership percentage distribution details for all entities. Complete disclosure of the entity that will own the project including delineation of all controlling ownership interests must be provided. For restructuring projects, organizational charts must be provided for the current ownership entity as well as for the proposed ownership entity.	X	Final
V.	Appraisal	See Section III DOH Underwriting Policy for complete requirements for acceptable appraisal reporting. Appraisal must be dated within one (1) year prior to City Council introduction. For DTC-related transactions, appraisals must be dated no more than six (6) months prior to the date of the donation to the sponsor.	If available	X
W.	Applicant and Owner Documentation	Documents may include: Articles of Incorporation, Bylaws, Partnership		Final

		Agreements, etc.		
X.	Insurance Certificates	For a description of the kinds and amounts of insurance required, see Section IV.F.		Final
Y.	VAWA Adherence Plan	Developer is required to submit a VAWA Adherence Plan (template to be provided); requires DOH review and approval		Final
Z.	Lease with VAWA rider and HOME or Non-HOME rider	Tenant protections to victims of domestic violence, dating violence, sexual assault, and stalking .		Final
AA.	Affirmative Fair Housing Marketing Plan	A Federal Housing Agency (FHA) requirement to ensure equal housing is afforded to all through effective marketing of housing availability. Use HUD Form 935.2A	X	Final
BB.	Real Estate Tax Bill	If land is privately owned, provide copy of most recent real estate tax bill.		X
CC.	Supportive Services Plan*	For proposals applying under the PSH Tract, describe supportive services to be provided on-site or by referral with details on staffing or facility requirements. (See Section I.E Provisions for Support Services). For independent senior facilities and other multifamily proposals, provide a description of supportive services, either on site or referrals.	Preliminary	Final
DD.	State Donation Tax Credit Application*	This is required for proposals seeking Donation Tax Credits.	X	Final
EE.	Supplemental TIF Information*	This is required for proposals located in an eligible TIF district seeking TIF financing. Supplemental information includes TIF District, TIF eligible	X	Final

		expenses, and net residential square footage.		
FF.	Property Tax Incentives	Provide Affordable Housing Special Assessment Program applications (more information found here)		X
GG.	Physical Needs Assessment (PNA)*	This is required for all rehabilitation construction projects. The PNA should be provided in accordance with the DOH Architectural and Technical Standards Manual.	If available	X
HH.	QAP Strategy to Minimize Displacement Form*	This is required for applications with occupied units where it is anticipated that construction will require temporary or permanent relocation. See Section V for a link to the required DOH QAP Relocation Overview Form.	Preliminary	X
II.	Eviction Prevention Plan	All proposals are required to submit a plan for preventing evictions. See Section V for a template.	Preliminary	Final
JJ.	Tenant Profiles*	This is required for applications with occupied units and must be provided before closing.		X
KK.	Three Credit References and authorization	This is required to review credit history.	X	
LL.	Affiliated project list and related City compliance correspondence	List of any and all City of Chicago-funded housing projects subject to City monitoring and compliance requirements that is/are affiliated with the ownership or control of the proposed project that is the subject of the Multi-family Financial Assistance Application, including common address, unit counts, and subsidy details (i.e. list identifying any and all project ownership entity or entities regulated by	X	X

		the City and owned or a controlled by an entity that controls, is controlled by, or is under common control with, the Applicant, the proposed ownership entity, or any other person or entity that have or will have an interest in the proposed ownership entity.) AND Copies of most-recent compliance correspondence (with respect to: annual owner's certification, tenant file reviews, and physical inspections) from the City of Chicago for all such City of Chicago-funded housing projects subject to City monitoring and compliance requirements.		

**Indicates an optional application item depending on financing request or proposal type.*

F. Application Submission

There are two ways to submit the DOH Multi-family Financial Assistance Application:

- **Option 1:** Applicants can submit their applications electronically by providing a OneDrive link- containing subfolders labeled consistent with the headings noted in the Application Checklist found in Section II.E of this document. Access should be public or granted to HousingDevelopment@cityofchicago.org using the following file naming convention: "2023 QAP [Project Name] [Developer Name]." Applications submitted via cloud-based third-party vendors (i.e., Dropbox, Google Docs, etc.) will **not** be accepted. The application fee, payable to the City of Chicago, must be mailed (via FEDEX, UPS, or Certified Mail) to ATTN: Bureau of Housing Development,121 N. LaSalle Suite 1000, Chicago, IL 60602 and postmarked no later than the deadline specified in the QAP Announcement.

------ OR------

- **Option 2:** Alternatively, applicants can mail (via FEDEX, UPS, or Certified Mail), the application fee, and one (1) electronic application stored on a USB drive. The folder labels should be consistent with the headings noted in Section II.E of this document. The application materials and fee, payable to the City of Chicago, must be mailed to ATTN: Bureau of Housing Development,121 N. LaSalle Suite 1000, Chicago, IL 60602 and postmarked no **later** than the deadline specified in the QAP Announcement.

Applications submitted outside of the QAP Funding Round are accepted on a rolling basis. **Applications submitted electronically or via mail without the timely payment of the application fee will not be considered until the application fee is received.**

G. Fees

The fee schedule for projects financed with multifamily loans, tax-exempt bonds and low-income housing tax credits is described below. All applicable fees should be included in the project's budget. There will be no waiver of fees.

Multi-Family Financing Application Fee	$1,500 per project application (not per building) is due upon submission of the application by a for-profit developer. This fee is reduced to $750 for a not-for-profit developer.
Bond Administrative Fee	15 basis points (.0015) of the outstanding bond amount, accruing monthly, but paid semi-annually.
Bond Legal Reserve	10 (.0010) basis points of total bond amount, to be collected at closing and paid to the Department of Finance.
Bond Issuer Fee	1.5% of the amount of bonds issued, paid at closing.
IAHTC Fees	If the applicant is only seeking DTCs and no other City resources (including TIF and land), the non-refundable application fee is $500. There is a reservation fee of 3% on all IAHTC allocation amounts.
LIHTC Reservation Fee	5% of the first full year's tax credit allocation is due upon acceptance of the credit reservation letter or tax-exempt bond agreement issued by DOH. This applies to both projects with 9% tax credits and 4% bond-generated credits.
LIHTC Carryover Fee	$250 per project, submitted with the Carryover Allocation form.
Monitoring Fees	$25 per unit, per year, paid annually, submitted with the annual owner's certification to DOH. Note this fee is required for all units in the building, not just affordable units.

H. Additional References

- Permanent Supportive Housing Guidelines (see 2023 QAP Appendix)
- Rent Limits and Utility Allowances
- City of Chicago Low-Income Housing Tax Credit Qualified Allocation Plan
- Cook County Assessor Incentives:
  - Class 9, Multi-family Rental (Rehab & New Construction)
  - Class 2, SRO Buildings
  - Charitable Property Tax Exemption
  - LIHTC Valuation Program
- IAHTC Regulations
- Qualified Census Tracts
- Architectural Technical Standards Manual
- Zoning Amendment Application and Information Packet
- DPD's Sustainable Development Policy
- DPD's Invest South and West Initiative
- DPD's Design Excellence Guiding Principles and Neighborhood Design Guidelines
- Climate Safe Housing: Strategies for Multifamily Building Resilience (For reference only)

I. Departmental Reviews and Timelines

While not all steps/approvals are required for every project, below is the **general process** by which multi-family affordable housing developments make their way through the City's approval and underwriting process once they have been selected to apply under Stage Two. Additional processes, as deemed necessary by DOH, may also be required.

Fund allocations and budgets are adjusted throughout the multi-family financing process to accommodate the fluidity of available funds. DOH Project Managers present the proposed financing project concurrently to multiple committees for review and approval.

*Reviews are **generally** shown in order from the time of Application through Construction completion. DOH may include additional reviews, as necessary.*

Preliminary Project Review: DOH Project Managers review the financing proposal and identify potential issues.

Projects that come through the Tax Credit Funding Round undergo a preliminary project review as part of DOH's application review process. For all other projects, the assigned DOH Project Manager will present a Preliminary Project Review to their peers at Internal Loan Committee and subsequently to Executive Staff at Internal Project Review to determine the project's path forward.

If a project is approved to move forward following the PPR, Stage Two documents will be required.

Project Kickoff Meeting: Development team meets with the DOH Project Manager and Construction and Compliance team to review the project and timeline. The outcome of the meeting will be a mutually-agreed-upon timeline to closing.

DOH Design Review: Led by DOH Construction Services Division, at this meeting the developer and architect of record will provide an overview of the project. Construction Services will provide initial construction and design-related comments, and flag areas where the project does not meet the Department's Architectural and Technical Standards manual.

DPD Design Review: Projects that include zoning changes, City land or TIF funds are reviewed by DOH and DPD for conformance with City Design Excellence guidelines, zoning and landscape ordinances, public way issues and other urban design concerns.

DOH or DPD Project Managers will share any concerns raised at this meeting with the development team. Depending on the issues raised, the project may need to return to DPD Design Review prior to proceeding to Project Roundtable.

Project Roundtable: Following DPD Design Review approval, and for projects that include zoning changes, City land or TIF funds, DOH or DPD Project Managers will provide an overview of the project to the Department of Planning and Development staff and leadership and receive feedback on Planning-related concerns and questions.

Executive Project Review (EPR): For projects that include zoning changes, City land or TIF funds, DOH or DPD Project Manager provides a final look at the project to DOH and DPD Commissioners and senior management, to resolve all questions and design and policy issues prior to City Council or Committee action.

Zoning Review: For projects that require a zoning change or Planned Development, developments should schedule a Zoning Intake with DPD's zoning division to review plans to determine if the project meets current zoning, requires redesign, or a change in zoning appropriate for the proposed use.

Projects requiring a zoning change will need to submit a Zoning application and present their request to the Committee on Zoning, which meets monthly. The Zoning application is online (linked here).

This process may take several months and can be longer if the project requires planned development or lakefront protection review by the Plan Commission.

Chicago Plan Commission: The Commission reviews and approves multi-family housing financing proposals when a development amends or triggers a planned development, or when City-owned land is being sold. The Plan Commission meets monthly.

Planned Developments (PDs) are typically triggered by project-size thresholds, and are flagged by the applicant's Zoning application, linked above. More information on Planned Development thresholds and procedures is online (linked here).

TIF Investment Committee (TIC): Projects that apply to receive TIF funding are presented to the TIF Investment Committee at two separate hearings. The DOH PM leads this discussion at both the Pre-TIC hearing and the TIC hearing. This process takes two to three months.

Community Development Commission (CDC): The Commission meets monthly to review and recommend action to the City Council on multi-family housing financing proposals when appropriate, typically when utilizing TIF or conveying City-owned land. Projects applying to receive TIF funds must receive TIC approval prior to proceeding to CDC.

For projects involving City-owned land, DOH must have received an independent Appraisal and Title for the redevelopment of the disposition parcels for consideration by the City prior to CDC.

For projects involving City-owned land, CDC approval triggers a requirement for DOH to publicly notice the City land for 30 days. This is required prior to Plan Commission and City Council introduction.

Internal Loan Committee: DOH Project Managers present the final underwriting and financing for the project for review to representatives from DOH Housing, Monitoring, Finance, Construction and Governmental Affairs divisions.

Internal Loan Committee review is required prior to City Council introduction.

Bond deals typically require two ordinances – Including a bond inducement and final financing approval.

Concurrent Intra-Departmental Reviews include but are not limited to the following, pre-Closing:

Chicago Department of Transportation Review- DOH encourages developers to reach out to CDOT to review final infrastructure plans.

Mayor's Office for Persons with Disabilities (MOPD) Review and Inspections: Pursuant to forthcoming MOPD procedures, applicants who receive City funding for their projects will be required to engage City-approved consulting inspectors to certify that any required accessible units have been constructed in accordance with their MOPD approved plans and specifications.

Environmental Reviews: The DOH Project Manager coordinates all City-required environmental reviews/approvals with the City's Department of Assets, Information and Services (AIS) Department. Environmental review can take up to six months and AIS approval is a condition of closing.

Sustainability Review: DPD requires that all City-funded new construction and rehab projects meet City sustainability requirements outlined in its Sustainable Development Policy. All projects must complete and submit the Compliance Form to DPD for sign-off, as well as the documentation required in the Handbook. Information is online here.

Building Permit Review: Building permit approval is a condition of closing. Building permits must be reviewed by CAC to determine that CAC comments have been incorporated into the final permit, so should be provided to CAC at least one week prior to closing.

City Council Introduction and Approval: The DOH Project Manager prepares a pre-ordinance memorandum to, and arranges a meeting with, the Department of Law to prepare the required ordinance and report for introduction to City Council. The memorandum includes property address, a detailed description of the project (number of units, affordable levels, funding sources), site photos, redevelopment agreement, DOH Commissioner recommendation, reasons for proposal, supporter and opponent information, cost detail and applicant information.

The Chief Financial Officer (CFO) receives copies on deals that require CFO approval (e.g., financing with bond funding).

Prior to City Council introduction, Applicants must have scofflaw and child support approvals, and EDS's must be reviewed and approved by the City's Department of Law.

City Council Introduction typically occurs one month, with the Approval occurring the following month. After Introduction, the project is assigned to a City Council Committee and a Committee hearing is held prior to City Council approval.

Chicago City Council does not meet during the month of August. Proposals expecting to close by year end must pass City Council no later than October of year expected to close; and all projects are expected to close no later than December 15th. Projects that do not meet this deadline will not close until the first quarter of the following.

Closing: Following City Council approval, the Department of Law (DOL) shall draft the City's loan and regulatory agreements. DOL will provide the developer with draft financing and land sale documents and a due diligence checklist. Documents may include but are not limited to:

- Redevelopment Agreement
- Economic Disclosure Statements
- Loan Financing documents
- Organizational documents (e.g., partnership structure)
- Lender's Title Insurance Policy
- Owner's Insurance Policy
- DOH Scofflaw Check Results Memorandum
- DOH Compliance Monitoring Approval

As a condition precedent to closing, all sources of funds other than the proceeds of City of Chicago-sourced financing shall be committed or otherwise secured on terms satisfactory to the Department of Housing, excluding only (i) funding hold-backs required by subordinate financing under state or other public programs as DOH may allow in its sole discretion; (ii) capital contributions from any equity investor subsequent to the capital contributions required at closing; and (iii) any deferred developer fee.

The developer submits required documents and comments on draft loan documents. The DOH Project Manager and Department of Law review submittals for completeness and compliance with all City requirements and request additional information from the developer, if needed, and negotiate issues before closing documents are finalized. The developer submits requested information and negotiates any remaining issues. Loan closing occurs.

Construction Compliance Meeting: Developers and their contractors are required to have two meetings with DOH's Construction Compliance staff. One meeting will occur prior to closing, and the other meeting will occur after closing and prior to construction. The pre-closing "information meeting" is required to inform developers and contractors of the compliance requirements that will be applicable to their development during construction and a letter will be provided confirming the details of the compliance meeting. Final Construction and Compliance approval is a condition of closing.

Upon closing and prior to the start of construction, Construction Services holds a pre-construction meeting with the developer to review monitoring and other requirements and to issue notice to proceed.

Construction: Construction shall not begin prior to the issuance of the Notice to Proceed. Upon construction completion, DOH Construction Compliance division staff issues closeout compliance certificates, as applicable. Once construction is complete and construction financing converts to permanent financing, long-term monitoring begins.

Construction Draw Process: Monthly construction draws are overseen by DOH's Construction Services Division. The developer meets monthly on site with construction staff and agrees on items to be requested on draw. Owner's draw request along with an Owner's Sworn Statement and required supplemental documents are submitted to DOH's Construction Services for approval. Construction Services, Compliance, and DOH Finance Sections review and sign off on draw request. Once approved, funds are released by the Finance section to the title company for disbursement, in accordance with the escrow agreement.

Section III: DOH Underwriting Policies

A. Overview

In accordance with DOH policy and state and federal requirements, DOH will perform underwriting analysis on all applications that request DOH resources. Each underwriting analysis will include a review and evaluation of the financing sources, development costs, income and operating expenses, and cash flow. The underwriting analysis process is designed to ensure cost-effective use of DOH subsidies as may be necessary for successful affordable multifamily housing development.

DOH may request or require further explanation, justification, or documentation for any questions or issues that are identified during the underwriting analysis process. DOH reserves the right to reduce, adjust, or remove items that do not meet the standards and requirements described herein.

B. General Underwriting Topics

Appraisal Requirements

An appraisal is required for the as-is value and the after-rehabilitation or new construction value at completion. These requirements apply to all DOH-assisted multifamily projects. Valuations expressed by the appraisals are the basis for evaluating and measuring the value of vacant, unimproved land and existing properties to determine the amount and terms of financing for a project and the efficient allocation of DOH resources.

An acceptable appraisal is a report that meets the most current standards provided by the most current edition of the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP) and must be completed by a certified real estate appraiser licensed in the State of Illinois. The City of Chicago must be named as an intended user. The licensed appraiser must conduct a site visit of the subject property.

All appraisals submitted to DOH shall reflect a total value that can be reduced to a value of the improvements and a value for the land and at a minimum shall include the following values, as applicable:

a) As-is market value with restricted rents for existing properties; and
b) As-is market value with market rents for existing properties; and
c) As-is land value (unimproved, vacant land value); and
d) As If Completed with restricted rents; and
e) As if Completed and Stabilized with restricted rents; and
f) As If Completed with market rents; and
g) As If Completed and Stabilized with market rents; and
h) Insurable value; and
i) Value of Low-Income Housing Tax Credits (if applicable); and
j) Value of any below market financing (if applicable).

DOH requires the income approach to valuation for existing properties, and the sales comparison approach for vacant, unimproved land. When using the income approach, appraisers shall use actual operating expenses to determine value, though appraisers may compose two separate appraisals, with each respectively utilizing actual operating expenses and adjusted operating expenses. Neither favorable financing terms nor consideration of tax credits may be considered in determining the capitalization rate or the as-is value in connection with the appraisal. DOH reserves the right to limit the amount of DOH resources allocated to a project predicated on the appraised as-is value.

Appraisal Requisition and Updates

Appraisals are to be obtained from a senior lender who has ordered them independently of the prospective borrower.

When Illinois Affordable Housing Tax Credits are contemplated as sources in the project budget, the applicant or the donor should provide appraisals to document the value of their donation(s) dated within six months of the date of the donation(s) to the sponsor. In such cases, any costs for environmental remediation must be deducted from the value of the property.

When a private acquisition is contemplated for real property in connection with the proposed project, the applicant must secure an appraisal from an independent third party to determine the value of land or building prior to entering any agreement, option, or contract for project property site control. In no such cases shall DOH allow an acquisition cost that exceeds the as-is value established by an independent appraisal.

DOH may require the appraiser to update the existing appraisal(s) to conform to the requirements described herein. DOH will accept appraisals that are dated no more than 12 months prior to the funding application deadline; for appraisals dated more than 12 months prior to the funding application deadline, the appraiser may provide a letter if there are no material changes to the development and market and if the update meets USPAP and other appraisal industry regulations or guidelines.

For projects that involve the purchase of City-owned land, the City reserves the right to have the developer obtain an appraisal from an appraiser on the pre-approved list of vendors provided by the City.

C. Market Study Requirements

Introduction

For each project receiving tax credits, the developer is required to obtain an independent, comprehensive, timely, and professional market study. The purpose of the market study is to analyze the current market area to determine if sufficient need for the proposed affordable development exists.

The study should be prepared by a market analyst, unaffiliated with the developer, who has experience with multifamily rental housing, and must include a statement of the competence of the market analyst.

DOH reserves the right to conduct its own independent due diligence to determine if a market exists for the proposed project and to require additional information and/or an additional market study.

Content

Market studies must be composed in accordance with the NCHMA Model Content Standards for Market Studies for Rental Housing, including use of NCHMA's Market Study Terminology and the sections indicated below.

Executive Summary

An executive summary is a statement that concisely reviews the essential market study requirements and recommendations and suggested modifications and key findings in connection with the proposed development, not to exceed one page in length if possible.

Conclusion

The conclusion is a concise statement by the market study author that indicates a market exists or does not exist for the proposed project. This conclusion must include the estimated time needed to fully lease up the proposed project's rental units as well as the estimated stable year vacancy rate, with a detailed explanation and justification provided for any stable year vacancy rate in excess of seven (7) percent and/or any projected lease-up timeframe in excess of twelve (12) months.

Site Description

A description of the project and its site.

Primary Market Area (PMA) Description

The PMA description shall include a map of the PMA for the proposed project including methodology used by the author in determining boundaries for the PMA. The PMA description should provide population and household income and housing data if the demographics of the immediate site are significantly different that the demographics of the PMA.

Rent Comparison
A description of rent levels and vacancy rates of comparable properties, including a chart showing pro forma and achievable rents ratio to maximum program rents, derived market rents, current FMR rents, and 90% FMR rents.

Income Qualification & Demand Analysis
A description of the capture rate, i.e., the number of income qualified renter households in the PMA divided by the number of units in the PMA. The maximum income for this range would assume 1.5 persons per bedroom rounded up to the next whole person. Include a demand analysis, if applicable, including the expected market absorption of the proposed rental housing, and a description of the effect on the market area. For fully occupied projects where the extent of rehabilitation will not result in permanent relocation of current tenants, the market study need only address vacancy rates at the subject project and comparable developments. For projects involving new construction, rehabilitation with permanent displacement, the market study needs to include a demand analysis.

Public Services Description
A description and analysis of the employers and public services (transportation, police, fire department, schools, day care, library, and community center), infrastructure (roads and traffic), and community services and amenities (including shopping, restaurants, parks, recreational facilities, hospital, health care facilities, and services for special needs, if applicable) in the PMA.

Subsidized Development Description
A description of all multifamily projects in the PMA that received City of Chicago, IHDA, National Housing Trust Funds, or HOME funds, both operating and not yet placed in service, with comparison of rents, amenities, unit sizes, bedroom sizes, and populations served. Provide the current vacancy rate for each project and include the person(s) contacted and the method of contact. The rents, amenities, unit sizes, bedroom sizes, and populations served in connection with subsidized developments in the PMA must be compared to these features of the proposed project.

Vacancy Rate
Identify the recent trends and the current overall rental vacancy rate for the project and comparable developments in the market. Include a discussion of any vacancy or absorption problems in the market or sub-market, if relevant.

Comparable Development
Description of market rate comparable developments located in the PMA. Provide the current vacancy rate for each project and include the person(s) contacted for each project and the method of contact. Compare the rents, amenities, unit sizes, bedroom sizes, and populations served of the competing projects to the proposed project. The following information must also be included: name, location, population served, type of design, age and condition, number of units by bedroom type, rent levels, number of bedrooms and baths for each unit type, size (in square footage) of units, type of utilities, and whether paid by tenant or owner, unit and site amenities.

D. Determination of Tax Credit Amount
Section 42(m)(2) of the Internal Revenue Code of 1986, as amended, requires that DOH not allocate to a project a LIHTC dollar amount more than the amount that DOH determines necessary for its financial feasibility and its viability as a qualified low-income housing development throughout the tax credit period. In making its determination of tax credit amount allocated to a project, DOH will evaluate each proposed project, considering

such factors as it determines relevant, including, but not limited to:

- Project cost, including the reasonableness of cost per unit, cost per square foot, developer fees, consultant fees, contractor fees (general conditions, overhead and profit), and syndication costs.
- Sources and uses of funds and the total financing planned for the project, including the ability of the project to service debt.
- Project income and expenses, including a determination of the reasonableness of the proposed operating costs.
- The proceeds or receipts expected to be generated because of tax benefits.
- The percentage of the tax credit dollar amount used for project costs other than the cost of intermediaries.
- The use of federal funds and other assistance (applicable HUD subsidies will be subject to a Subsidy Layering Review based on HUD's most current SLR guidelines).
- Other factors that may be relevant to the economic feasibility of the project, such as the area economy or the housing market.

DOH, solely in its discretion and in no way as a representation as to the actual feasibility of the project, will estimate the amount of LIHTC to be reserved for the project based on this evaluation as a basis for making awards of competitive 9% LIHTC or as an initial determination of tax credit amount with respect to a project financed by tax-exempt bonds. The amount of tax credits may change in the allocation process due to variations in cost, mortgage amount, tax credit percentage, syndication proceeds, etc.

The analysis to determine the tax credit amount shall be done (i) when an application is submitted (ii) at the time an allocation is made, and (iii) as of the date that DOH determines that the building(s) in a project is(are) placed in service and issuance of the IRS Form(s) 8609 by the Department. The Department may determine not to award the full amount of tax credits for which the project is eligible. The Department reserves the right to set per-project tax credit award limits.

E. Cash Flow Definition

As determined by the Commissioner of the Department of Housing in consultation with the DOH Internal Loan Committee, the Department may originate new loans with, or may require modification to existing City debt terms to include cash flow-based or fixed payment provisions for repayment when project circumstances warrant such a debt service structure.

Cash flow shall be verified by DOH from a review of independently audited financial statements for the project as required under DOH loan documentation. With respect to any loan payments to the City of Chicago calculated as a percentage of the project's cash flow, "cash flow" will be defined, if not defined in other terms in the loan documents, as gross cash receipts to the project in connection with the operations of the project in the ordinary course of business including rental subsidies and construction contingency but excluding capital contributions, loan proceeds, grants, and the proceeds of capital transactions, and minus any:

1. Supported payments made for the following project operating expenses:
   a. Owner-paid utilities
   b. When not funded through project reserves: Reasonable maintenance, repairs, and necessary replacements
   c. Maintenance salaries and payroll taxes
   d. Real estate taxes

   e. Insurance premiums
   f. Reasonable professional and management fees
   g. Reasonable miscellaneous fees
   h. Service coordinator/ tenant supportive services – requires DOH approval to be included
   i. Tenant services related to the provision of transit subsidies or internet services- requires DOH approval to be included

2. Replenishment of the operating reserve account up to the maximum of its original established amount through Year 10
3. Any required payments deposited to the reserve for replacements
4. Payment of a deferred developer fee
5. Reasonable asset management fees required by the syndicator if not capitalized
6. Debt service on loans with a superior mortgage lien position with respect to the City of Chicago-sourced debt, excluding all general partner and/or partner/partnership notes/mortgages

Depreciation expense, any other noncash expenses, fees payable to the owner, the general partner of the owner, or any affiliate thereof (except reasonable professional and management fees as approved by DOH in its sole discretion), any other noncash expenses, and capital expenses paid for by project reserves shall not be considered operating expenses.

The partnership definition of "net cash from sales and refinancing" (or other applicable term or related activity) must be provided to DOH for review and approval.

F. DOH Mortgage Terms

The loan term for DOH-sourced mortgage financing will be co-terminus with the first mortgage (if any) and will generally be for a minimum of 30 years. City-sourced debt may be required to bear interest at contract rates ranging from zero (0) percent to Applicable Federal Rate (AFR)per annum, subject to applicable federal, state, and local rules and regulations; amortization will be on a 30- to 40-year schedule. If there is sufficient cash flow projected by the project pro forma, DOH may require payment of interest and/or amortization in connection with City-sourced debt financing. To assure ease of documentation and administration, loan repayments may be fixed and not subject to performance-based or cash flow-based repayment conditions. DOH may forego debt service to increase private financing and/or affordability, if necessary.

G. Cooperatives as Developers and Owners

DOH will make loans to affordable housing developments which will be owned or affiliated with a housing cooperative ("cooperative projects") subject to the following ownership and management conditions.

Ownership: The property owner and obligor on DOH's loans is one of the following:

a) An established cooperative with a proven track record in housing development and property management.
b) A limited partnership in which the limited partner consists of investors in tax credit syndication and the general partner is an experienced developer who demonstrates the ability and willingness to provide housing and technical assistance to the cooperative.
c) A joint venture comprised of a cooperative and an experienced developer. The developer must demonstrate the ability and willingness to provide technical assistance to the cooperative. DOH will entertain formal requests to replace the joint venture as borrower with the cooperative when the

development has been completed and occupied and the cooperative has demonstrated its ability to own and manage the property without assistance. DOH makes no assurance that such a request will be approved.

Property and Asset Management: The cooperative must retain the services of an experienced property management firm (which may be its partner) until DOH agrees that the cooperative is ready to assume this responsibility. It will be a condition of the DOH loan that newly formed cooperatives undergo a training program to ensure gradual, meaningful participation in the operation and management of the property. A management plan containing provisions for measurable cooperative progress through various phases of increasing involvement in the management of the property to the point where the cooperative is ready to assume overall responsibility for management shall be required in connection with cooperative projects. In such cases, the management plan shall also contain planning provisions with respect to the cooperative ownership or management of the property in connection with the termination of the initial 15-year tax credit compliance period and/or restructuring of ownership to accommodate the disposition of the original limited partner interests on or after the termination of the initial 15-year tax credit compliance period. If the cooperative is already experienced in property management, DOH may, in its sole discretion, determine that the services of an outside management firm are not necessary.

H. Development Budget and Financing

Cost Effective Development and Cost Reasonableness

DOH expects developers to make every effort to control costs, so that limited public resources may facilitate the development of as many units of affordable housing as possible. DOH cannot participate in the financing of projects whose extraordinary demands for public subsidies would detract from the Department's ability to finance other meritorious and cost-efficient projects.

Total development costs shall be evaluated on a per unit and per square foot basis with comparison to costs in connection with similar developments, as determined by type of construction and population served. Additional information may be required for developments that exceed expected budget projections as informed by similar affordable multifamily developments from current and/or previous years; in such cases where developments do not provide sufficient justification or response (in DOH's sole discretion), budgets may be subject to adjustment to match these conventions.

Sources and Uses

Sources

All sources of funds (both public and private) with dollar amounts must be identified and displayed in the relevant application materials. Before allocating tax credits or committing any other funds to a project, DOH will review and evaluate the timing of availability of each source and whether the funds are firmly committed. As such, DOH will seek the following information from developers, owners, or sponsors before it shall allocate tax credits or otherwise firmly commit funds to a project:

1. Commitment letters with all terms and conditions for mortgages, grants and/or other governmental assistance, subordination agreements, bridge (interim) loans, and investment tax credits (historic, low-income, donation, etc.);
2. Copy of partnership agreement or operating agreement, which indicates the cash contributions by the general partners/managing members and/or the limited partners/investor members;
3. Documentation of owner cash equity and any deferred developer fees.

The development loans, equity investments, and owner cash equity and deferred developer fees, and their respective rates and terms as reflected in the DOH application materials, will be evaluated by DOH for consistency with the source commitment information received.

Uses

All development costs must be identified and displayed in the relevant application materials, including acquisition, construction, infrastructure, environmental, commercial, professional fees, lender fees, construction period costs, tenant relocation costs, developer fees, reserves, and other soft costs. All "other" line items utilized in the development budget must include explanation.

DOH shall request and review documentation for all line-item costs in the budget, including:

1. Acquisition documentation, such as purchase agreement, option, or closing statement for land and/or buildings and appraisal or other documentation of value;
2. Construction cost estimate(s), construction contract, or preliminary bid(s);
3. Contracts, quotes, or other agreements substantiating key professional costs and the basis for estimating other soft costs and working capital items, including capitalized reserves;
4. Agreements governing the various reserves which are capitalized at closing (to verify that the reserves cannot be withdrawn later as fees or distributions);
5. A third-party appraisal (to substantiate the value of the land and the value of the property after rehabilitation or new construction);
6. Documentation of the syndication costs (legal, accounting, tax opinion, etc.) from the organization or individual who will contribute equity proceeds to the project pursuant to the syndication of tax credits, if applicable.

Equity Contributions and Pay-in

If a project is applying for LIHTC or IAHTC from the IHDA, or if Historic Tax Credits (HTC), an owner (borrower) must contribute a minimum of 10% of total project costs as equity to the project. Eligible equity sources may include grants or gifts, developer's cash, proceeds from tax credit syndication, and the value of land and building contributed to the project. A minimum of $100 from a general partner is required in LIHTC projects.

All owner and investor or syndicator equity, or bridge financing in the form of a secured loan or letter of credit, must be deposited in escrow at closing and is the first funding disbursed, with the exception of final installments of the developer's fee and reserves. DOH in its sole discretion, may approve an alternative schedule for equity pay-in.

An acceptable alternative approach allows for a minimum of 25% of total equity to be deposited as cash in escrow at closing. With the exception of final installments of the developer's fee and reserves, the remainder of equity should be a secured loan or letter of credit, which can be drawn pro rata with senior, DOH and other loans. Under no circumstances will any remainder of equity needed to fund construction, which has not been deposited at closing, be unsecured.

Developers should show DOH the terms of their equity syndicators and should demonstrate that they have maximized the tax credit equity raised. Developers are required to submit a comparative analysis of a minimum three investors' bids, including a comparison table of each bidder's terms, pay-in schedule, pay-in rate, fees, guarantees, etc. The analysis and chart are due with the Stage Two Submissions of the multifamily financing application to allow the DOH Financial Analyst to review the rationale supporting a developer's selection when underwriting the financing request, prior to presentation to DOH's loan committee.

For projects financed with tax-exempt bonds but without a DOH loan, DOH, in its sole discretion, may approve an alternative schedule for equity pay-in.

Acquisition, Predevelopment Holding Costs and Bridge Loan Financing
Because of the length of time required to assemble properties and obtain financing for an affordable housing development, DOH will allow reimbursement of reasonable out-of-pocket costs, or repayment of acquisition loans and reimbursement of predevelopment costs that are essential to holding properties acquired for development, to be included in the development budget. Eligible costs are limited to those incurred from the date of acquisition for the intended affordable housing development through the date of closing on development financing but should not exceed a two-year period prior to the submission of the DOH application. DOH funds will only be used for expenses that are eligible under the specific sources of funding for a project.

Eligible holding costs may include: Real estate taxes, property insurance, board-up, security, utilities, emergency repairs, interest expense on loans from an outside institution, and legal fees directly related to owning and maintaining the property. Building repairs that preserve a building's physical condition and protect the health and safety of a building's residents and the surrounding community. For example, emergency repairs of rear porches are eligible.

Ineligible holding costs include: Inessential repairs or those that need to be redone as part of the newly financed project; costs of holding property which was not initially acquired for the specific rehabilitation project under consideration; and any costs incurred more than two years prior to the submission of the application.

Eligible holding costs in occupied and partially occupied buildings include: Reimbursement only to the extent that costs exceed net operating income less debt service during the period between acquisition and loan closing.

The Department will require evidence of expenditures in the form of invoices, cancelled checks, and/or audited financial statements to document all costs.

The Department of Housing strongly prefers to minimize acquisition costs for property to be redeveloped as affordable housing. Developers planning to privately acquire property should consult with DOH before entering into site control agreements with sellers. If private acquisition is permitted by DOH, acquisition costs (purchase price plus payments for taxes or other liens) allowed in the development budget shall not exceed the as-is value of a property (as determined by an independent appraisal), subject to review and adjustment by DOH staff. Any acquisition cost determined to be more than the appraised value shall be borne by the developer outside of the development budget.

The Department is unable to provide bridge loan financing (interim loans to cover temporary gaps resulting from equity investor pay-in structures) to projects due to the need to conserve resources for construction and permanent financing.

I. Construction Contingency
A 10% hard cost construction contingency is required for rehabilitation, and a 5% construction contingency is required for new construction. The percentages are a factor of the total hard costs, including the following line

items: site improvements and demolition, rehabilitation or new construction, environmental remediation, and other hard costs identified and calculated in the DOH Pro-Forma. Any change in these percentages is subject to the written approval of the Deputy Commissioner for Construction & Compliance.

When calculating tax credit basis for City-sourced Section 42 housing tax credits, construction contingency will not be counted, provided however, when projects are utilizing Section 42 housing tax credits allocated pursuant to the satisfaction of certain requirements in connection with the utilization of tax-exempt bond financing, 100% of construction contingency may be counted in basis only if there is no other DOH gap funding. Per DOH policy, a maximum of 50% of contingency will be allowed in basis on both 4% and 9% LIHTC deals, unless otherwise approved by Construction and Compliance.

Contingency shall be funded by DOH gap financing as applies (HOME, CDBG, TIF, etc.), so that DOH is disbursing only the amount deemed necessary to complete the project. Excess project proceeds are savings to the City and shall be applied to pay down the city gap financing in the final draw. As stated in the City Escrow Agreement, all other private funding sources, whether loans, grants or equity, are expected to be fully disbursed; only public sources (city, CHA, IHDA, as apply) are considered gap financing and may be paid down pro rata.

For complete details regarding contingency requirements and acceptable uses, please refer to the 2023 Architecture and Technical Standards manual.

J. Developer Fee

DOH requires that the total developer fee for a project (i.e., the total realized developer fee plus the total of any deferred developer fee for the project, which includes developer overhead expenses such as an owner's representative) shall not exceed the amount contributed to the project by the City of Chicago. The Financial Consultant Fees (including TIF Financial Consultant Fees) can be included in the Professional Fees budget category. Collectively, these fees cannot exceed more than 10% of the total allowable DOH developer fee for the project. Any amount exceeding the 10% threshold will need to be paid from the developer fee. TIF and other financial consultants must be unrelated third-party entities with no identity of interest to the developer, owner, or other related entities. The developer fee may not exceed the lesser of:

- Ten percent (10%) of the first $5,000,000 of a project's total development costs excluding the developer fee ("Adjusted TDC"), plus five percent (5%) of Adjusted TDC thereafter, not to exceed $2,500,000 in total

-or-

- Six percent (6%) of Adjusted TDC, not to exceed $2,500,000 in total.

DOH permits disbursement of the developer's fee in three installments: (1) no more than 50% at closing; (2) an additional 25% at construction completion; and (3) the remaining 25% at final completion of the project. If IHDA, an equity syndicator, or other funders have a more conservative policy and require holdback of the final 25% installment at a later date, such as after lease-up or stabilization, then the more conservative policy applies.

It is required for HOME funded projects that at least 10% of the final installment of the developer's fee must be funded with HOME and not funded until lease-up, or other period to be determined, subject to the written approval of the Deputy Commissioner for Construction and Compliance.

Developer Fee Considerations for Priority Tract 5 Permanent Supportive Housing Projects
Permanent Supportive Housing projects selected through the PSH Priority Tract may request a higher developer fee for consideration for PSH projects who demonstrate a need for additional funding to cover operating subsidies and supportive services based on development scale or funding for operating or supportive services. This increase will allow up to 8% of the original developer fee. For example, if the initial developer fee is $1,000,000, qualifying applicants would be eligible for an additional $80,000 to be used as operating subsidy. The Applicant is required to commit to utilizing an increase in the developer fee to fund a supportive services escrow (provided the plan for services is satisfactory to DOH) to cover costs associated with providing levels of supportive services based on the needs of residents within majority-PSH projects. DOH reserves the right to determine the other mechanisms necessary and appropriate to ensure funding of the supportive service to prevent specific tax issues related to the applicant's ownership structure. Additional PSH tract guidance on supportive service levels can be found in the 2023 QAP appendix.

K. Commitments

All sources of financing must be identified, including tax credit equity, hard debt, soft or non-recourse debt, gap financing, seller or "takeback" financing, development team contributions, interest during construction, and use of reserves for development costs.

Equity
DOH will evaluate the conditional equity commitments provided by the syndicator/investor. Conditional equity commitments must include the following items:

- Proposed terms and conditions.
- The anticipated tax credit allocation.
- The per-credit net cent raise rate, including disclosure if equity pricing is tied to providing debt for the project.
- Gross and net LIHTC equity amounts and net equity pricing (must be distinguished from other tax credit types and amounts projected from syndication for those types when applicable).
- Detailed equity pay-in scheduled with equity pay-in during construction delineated from equity paid in at other times.

Debt
DOH will evaluate all debt funding source terms and may underwrite the project at different terms for any funding source for which DOH determines will cause excessive or unnecessary subsidy. Conditional financing commitments should be submitted at initial application and updates provided when necessary; the developer shall provide firm financing commitments prior to closing.

Debt commitments must include all of the following information:

- The entity providing the loan.
- The amount of the loan.
- The length of the permanent loan term, [which must be at least 15 years].
- The amortization period of the loan.
- The estimated interest rate (and any terms and conditions regarding adjustments).
- The expected monthly or annual debt service payment.

- Any financing fees associated with the debt source.

Other

All sources identified in the application must include a conditional commitment letter at initial application and updates provided when necessary, prior to closing. If other sources involve a competitive funding process for which funding recipients have not yet been announced or federal or state historic tax credits, DOH may allow additional time to provide a conditional commitment letter. DOH will require an alternate plan to provide capital that would otherwise be provided pursuant to such competitive funding round(s) if unsuccessful in any non-DOH competitive funding round.

L. Operating Budget

Operating Cost Reasonableness

DOH shall evaluate operating cost reasonableness by comparison to costs in connection with similar developments, as determined by type of building, population served, and type of financing. DOH reserves the right to use other data sources to inform any determination it makes with respect to operating cost reasonableness.

Additional information may be required for developments that exceed expected operating budget projections as informed by similar affordable multifamily developments from current and/or previous years; in such cases where developments do not provide sufficient justification or response (in DOH's sole discretion), budgets may be subject to adjustment to match these conventions. Developments will be subject to any expense requirements imposed by specific subsidy program requirements or provisions, if applicable.

Income

All DOH Proformas submitted as a part of an application for City of Chicago resources shall reflect the project income expectations in the DOH Proforma.

A. Residential Income

The project unit mix and expected unit rents should be entered in the "Units & Income" worksheet of the DOH Proforma. Gross residential unit rents (inclusive of utility allowances) may not exceed [ninety-five percent (95%) of] the current rent limits imposed by any financing source, program or requirement, unless the unit is assisted through project-based rental assistance. In the case of City resources that stipulate rent limits, such as LIHTC Credits or HOME Investment Partnerships funds, rent and income limits are available on the City's website. These program rent limits should be entered into the "Max Limits" worksheet of the DOH Proforma.

B. Project-Based Rental Assistance Subsidy

Projects with unit-based, rather than tenant-based, rental assistance must submit a copy of the fully executed rental assistance contract or a rental assistance commitment letter from the entity providing the rental assistance, that includes all of the following:

- The maximum percent of AMI.
- The total number of units assisted by unit type.
- The length of the rental assistance contract.

- The contract rent by unit type paid through the rental assistance; note that the contract rent is the maximum amount of rent paid to the project by the rental assistance.

If the application includes an executed rental assistance commitment letter from the CHA using Project-Based Vouchers (PBV), that letter must also provide documentation that:

- The Chicago Housing Authority's administrative plan allow for the administration of a PBV program.
- The CHA has selected the property to receive PBVs in accordance with its administrative plan and 24 CFR 983.51.
- If applicable, acknowledgement by the CHA that assisted units may receive referrals from [Statewide Referral Network].
- If PBVs are used on HOME-funded units, the units must be low-HOME units, which is identified as 50% AMI or below.

All underwriting assumptions regarding the funding and renewal of rental assistance contracts must be clearly identified.

C. Commercial Income

A description of the general commercial uses and expected commercial unit rents should be entered in the "Units&Income" worksheet of the DOH Proforma. Commercial income should not be included in financial feasibility calculations for most projects, provided however that DOH may permit commercial income to be considered for financial feasibility calculations in its sole discretion.

D. Other Income

A description of the sources of other income and expected income from these sources should be entered in the "Units&Income" worksheet of the DOH Proforma.

In general, other income should only include items that are recurring, defensible, and voluntary to the tenant. Late fees, pet fees, security deposits, and the collection of damages are not permissible sources of other income.

When applicable, Supplemental Nutrition Assistance Payments (SNAP) and Medicaid payments should be included as other residential income.

Expenses
All DOH Proformas submitted as part of a project application for City resources shall reflect the project operating expense budget in the "Op_Costs" worksheet of the DOH Proforma. This may include expenses related to the provision of tenant services including but not limited to internet services or transit subsidies for residents. Transit subsidies may include a subscription to a bike share program or passes for CTA or Metra.

Vacancy Rates
Residential: To calculate total effective income, the required residential vacancy assumption is seven percent (7%) per year over the subsidy period. Justification is required for a vacancy rate assumption that deviates from 7% per year. Higher vacancy rates for PSH tract developments may be allowed at DOH's discretion. DOH shall review the market study and appraisal to determine conditions which shall influence this rate.

Projects must maintain positive debt service coverage (i.e., at least 1.00 for all regularly payable secured debt) during the projected subsidy period. A debt service coverage ratio in excess of 1.20 for the LIHTC compliance period is subject to DOH's sole discretion. DOH may require terms and conditions in connection with its assistance to provide for compliance with the debt service coverage ratio provisions described in this section.

Commercial: Fifty percent (50%) is the standard rate and is established based on amount of commercial space, nature of use, location, market and other conditions

Income & Expense Escalation
Escalation Factor for Project Rental Income: Trended at a two percent (2%) annual escalation rate over the subsidy period. Justification is required for increases outside this range.

Escalation Factor for Project Operating Expenses: Trended at a three percent (3%) annual escalation rate over the subsidy period. Justification is required for increases above 3%.

Management Fees
Fees for property management shall not exceed seven percent (7%) of gross collections. These fees include the following costs: administrative expenses, office supplies and utilities, marketing, accounting, and rent collections. The following categories are not included in the management fee and shall be identified as separate line items: annual audit, legal cost for evictions, janitorial expenses, and on-site management. The Department will determine whether on-site management is necessary and should be funded on an as-needed basis.

For developments which include units designated for CHA tenants and which receive contracted CHA operating support, an imputed management fee for property management would consider the rents for the CHA units to be at the same level as similar non-CHA units within the project when calculating the fee as a percentage of gross operating revenues.

M. Debt Service Coverage Ratio

The minimum acceptable debt service coverage ratio ("DCR") is 1.20 for the first year of stabilized operations. Exceptions may be considered only if the project indicates improved and upward trends in DCR sustained over 15 years, or if other credit enhancement conditions (e.g., HUD mortgage insurance) or rental subsidy may be present.

N. Charitable Property Tax Exemption Operating Budget Considerations

For development's eligible to receive the Illinois Charitable Property Tax Exemption, the DOH Multifamily Financial Assistance application must demonstrate: 1.) all units are covered by a project-based subsidy or 2.) for units not covered by a project-base subsidy, funding is in place to cover potential operating liabilities that may emerge as a result of the State required non-evict policy for as long as the exemption is in place. Additionally, the applicant must indicate in what tax year the exemption is expected to take effect. Note: Developments seeking the exemption will not be considered for TIF assistance. DOH reserves the right to require a portion of any tax savings achieved through the exemption to be held in reserves for the benefit of the development or its tenants.

Section IV: Information and Regulations

The following section provides additional details and references for required application elements.

A. Neighborhood Map Specifications

Area of Coverage:

- One (1) 1/2-square mile centered on project site(s), and
- One (1) 1-mile centered on project site(s).

Required Information and **Items to be Designated:**

- Proposed Site(s); and
- Public Transportation (El lines and bus routes); and
- Main thoroughfares and Business/commercial areas; and
- Parks, Schools and Hospitals; and
- Abandoned buildings; and
- Vacant lots; and
- Non-DOH Projects Developed by Applicant/Sponsor; and
- Other DOH-Funded Projects developed by Applicant/Sponsor; and
- DOH-funded Projects by Others (if known); and
- Other Residential Investment in Area.

Note: If public, institutional, commercial and recreational facilities that will serve the site are located "off the map," indicate this fact on the map with a label, e.g., "Major Commercial 1/4 mile North."

B. Requirements for Community Input Plan

The DOH Multi-family Financial Assistance Application requires developers to provide a description of the community engagement process and outcomes associated with the project, including any support and opposition to the project. Outcomes from meaningful and inclusive community engagement can help DOH staff assess the value that proposed projects bring to individuals, communities, and the city of Chicago. The Plan for Community Input included in the applicant's proposal should demonstrate an engagement process that is transparent and community driven.

Components of a Community Input Plan

The plan for community input should quantify and detail outreach activities planned for collecting feedback on the proposal and may include but are not limited to the following:

- Strategies for facilitating and collecting feedback (i.e., open discussion, surveys, voting etc.).
  - *Example:* Describe how community conversations will be facilitated and what the tools will be used to capture community members' feedback. Document how feedback will be incorporated into the project and communicated back to community members.
- Description of possible barriers posed for some community members based on engagement strategy and activities deployed and the identification of accommodations to overcome stated barriers.
  - *Example:* Describe in planning document who might be burdened by the different types of engagement and identify accommodations made, such as location, accessibility, time, and language, to address burdens.
- Description of trust-building activities and authentic outreach approach.

- *Example:* Relationship building questions at the start of the meeting that help establish what interest participants have in the project. Consider partnering with trusted community organizations in the area to facilitate activities.

- Number of virtual or in-person meetings held or planned with dates, times, number of attendees, and attendees' relationship to the community/proposed development.
    - *Example:* Have a sign-in sheet for virtual or in-person events where participants list their name, connection to the community project, and have the event name, date, and time on the top of the sheet.
- Results from virtual and/or in-person events in the form of comments, survey results, votes, etc. (if available).
    - *Example:* Provide summary of results and themes from engagement processes in a report out to community members.
- Number and type of communication shared with community online or in other formats with details on engagement (i.e., likes, shares, responses).
- Links to website, social media, news articles etc. promoting proposal.
- Document how ongoing engagement will be conducted throughout the project and not just during the planning phase.
    - *Example:* Provide a timeline of engagement in the planning document and consider developing tenant advisory councils once the building is in service.

Demonstrating commitment to racial equity and marginalized populations

Equity is one of DOH's core values. DOH prioritizes housing equity for Chicagoans who are marginalized by race, ethnicity, citizenship, ability, sexual orientation, arrest or conviction record, or income. Undoing historical harms as described in our Racial Equity Impact Assessment are vital to the department's mission and vision. Applicants must demonstrate that they have taken authentic actions to understand systemic inequities, racial disparities, climate resiliency, and equity in their engagement plans. Strong community input plans will demonstrate a commitment to equity by including the following:

- Demographic data of neighborhood including race, ethnicity, age, health outcomes, life expectancy, climate issues, and gender; and
- Description of any accommodations made or planned to ensure inclusive participation (i.e., multiple meetings held at different times/locations/platforms, language translation, physical/digital accessibility considerations); and
- Impact of systemic racism in the community; and
- Cultural understandings of existing population and partnerships with community organizations.

Recommended Resources

Chicago Department of Housing, *Racial Equity Impact Assessment - Qualified Allocation Plan,* *https://www.chicago.gov/content/dam/city/depts/doh/qap/qap_2021/draft_reia_qap.pdf*
Chicago Department of Housing, *Mission, Vision and Values,*
https://www.chicago.gov/city/en/depts/doh/auto_generated/doh_mission.html
Elevated Chicago, *Community Engagement Principles & Recommendations*,
https://www.elevatedchicago.org/engage/
What Works Cities, *A Guide to Remote Community Engagement,* *https://medium.com/the-guide-to-remote-community-engagement*

C. Relocation under Department of Housing

DOH policy requires that tenants who are either temporarily relocated or permanently displaced as a direct result of acquisition, rehabilitation, or demolition of housing units for a project assisted by the City, receive relocation assistance consistent with the Uniform Relocation Assistance and Real Property Acquisition Act, as amended (the "URA"), 49 CFR Part 24. The Act applies to all projects assisted with federal funds. In addition to requirements under the URA, the City has two ordinances governing relocation for specific populations: the SRO Preservation Ordinance (SROPO), governing relocations in single-room occupancy buildings, and the Chicago Relocation Plan Ordinance (CRPO), governing relocations in senior buildings. Developers have a responsibility to be familiar with their relocation obligations and should reach out to DOH with any questions about applicability to their project.

Any application for assistance submitted during the City of Chicago's 2023 QAP which involves an occupied property will require that developers submit, as part of Stage One of the multi-family application, a Relocation Overview form, found on DOH's website here. Projects awarded funding involving relocation or displacement will be required to submit a full Relocation Plan and other documents as necessary prior to loan closing. It is important that developers of any project potentially involving relocation meet with the DOH URA Coordinator early in the development process.

Permanent Displacement Policies

Lawful permanently displaced entities as defined under the URA must:

1. Be offered relocation assistance and benefits as required under the URA; except where their tenancies are terminated under appropriate grounds, or where occupancy is taken after the loan closing with advance written notice from the owner of the pending potential displacement.
2. Be given a reasonable choice of opportunities to move to a comparable replacement dwelling.
3. Be provided with appropriate advisory services including information, counseling, referrals, assistance filling out URA claim forms and other services.
4. Be required to move from his/her dwelling or to move his/her business with no less than 90 days advance written notice of the earliest date by which he/she may be required to move; nor shall any resident be evicted (except for just cause) after the loan closing.
5. Be paid reasonable and necessary moving expenses and replacement housing payments.

Temporary Relocation Policies

A tenant may be required to temporarily relocate if this is necessary to carry out the project. Temporary relocation may not exceed 12 months; a decent, safe, and sanitary dwelling in an area which will not result in unreasonably adverse environmental conditions must be available to the tenant while relocated; and the tenant must be reimbursed for actual, reasonable out-of-pocket expenses, including moving costs to and from the temporary occupied dwelling and any increase in monthly housing costs (rent and reasonable utility costs) incurred during the relocation. If the new dwelling unit is not ready for occupancy within 12 months of the initial relocation, the tenant must be notified of the earliest date by which it will be ready, and the tenant will have the right to agree to wait until the extended date or to become permanently displaced and receive permanent displacement assistance.

D. Summary of Section III of the Housing and Urban Development Act of 1968, as amended

Section 3 is a provision of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992 (24 CFR §135). The legislation requires that economic opportunities (employment, training, and contracting) generated by certain U.S. Department of Housing and Urban Development (HUD) financial assistance for housing and Housing shall, to *the greatest extent feasible*, be given to low- and very low-income persons (Section 3 residents).

A project is determined to be covered by Section 3 requirements based on the amount of public financial assistance. If the amount of financial assistance to the project exceeds $200,000, the project is subject to section 3 regulations. In addition, if an individual construction contract or subcontract exceeds $100,000, these requirements are passed on for implementation to the contractor or subcontractor. If a developer is acting as a general contractor, the dollar threshold which triggers section 3 requirements is $100,000. Section 3 requirements apply to the entire project or activity that is funded with federal assistance regardless of whether the activity is fully or partially funded from federal resources.

Recipients and covered contractors may demonstrate compliance with the *greatest extent feasible* requirement of section 3 by meeting the numerical goals for providing employment and contracting opportunities to section 3 residents and business concerns. Developers, as recipients of section 3 covered housing assistance, have the responsibility of ensuring compliance in the operations of its contractors and subcontractors. Contractors and subcontractors are required to commit to hire section 3 residents for 10% of the new hires needed to complete a particular project. Section 3 residents are defined as low- and very low-income individuals (under 80% of median income). New hires are defined as all employees not on an ongoing payroll, hired to complete a project. Also, section 3 business concerns must receive a set percentage (10% for building trades, 3% for non-building trades (e.g., architecture, engineering)) of the total amount of all section 3 covered contracts. Section 3 business concerns are defined as a business concern: (1) that is 51% or more owned by section 3 residents; (2) whose permanent, full-time employees includes persons, at least 30% of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or (3) that provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications of (1) and (2) above.

Section 3 does not require recipients or contractors to create training programs for low- and very low-income persons solely in an effort to comply with the regulations. However, where training opportunities exist in connection with section 3 covered projects, they must in part, be directed to section 3 residents.

The City encourages all developers, contractors and subcontractors on DOH-funded projects to surpass the minimum requirements described above and undertake additional efforts to provide low- and very low-income persons with economic opportunities.

E. City Resident Hiring Preference Ordinance

The City Resident Hiring Preference Ordinance was passed by the City Council on May 18, 1994. This ordinance amends Section 2-92-330 of the Municipal Code to state that for construction projects greater than $100,000, “the total hours worked by persons on the site of the construction project by employees of the contractor and subcontractors shall be performed at least 50% by actual residents of the City of Chicago.” Contractors are required to maintain residency records for their employees and submit weekly certified payroll reports to the City. The ordinance provides for monetary and other penalties for failure to comply.

Any project with a total cost greater than $100,000 that is funded with a DOH loan or tax-exempt bonds will be subject to the residency requirements. Implementation and monitoring of the requirements will be performed by DOH’s compliance monitoring section. This section already monitors compliance with Section 3 of the Housing and Urban Development Act of 1968, Davis-Bacon wage requirements, and MBE/WBE legislation.

F. Insurance Requirements

Mortgagor shall procure and maintain, or cause to be maintained, at all times, at Mortgagor's own expense, until final repayment of the indebtedness secured hereby, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations contemplated in connection with the Project, whether performed by Mortgagor, the General Contractor, any Subcontractor or others.

The kinds and amounts of insurance required are listed below. Additional insured endorsements for certain policies may be required by the City's Risk Management office.

a) *Workers Compensation and Occupational Disease Insurance*
Workers compensation and occupational disease insurance, in accordance with the laws of the State of Illinois, or any other applicable jurisdiction, covering all employees who are to provide a service in connection with the Project and employer's liability coverage with limits of not less than $500,000 per each accident or illness.

b) *Commercial Liability Insurance (Primary and Umbrella)*
Commercial General Liability Insurance or equivalent with limits of not less than $2,000,000 per occurrence for bodily injury, personal injury and/or property damage liability. Coverage must include the following: All premises and operations, products/completed operations, independent contractors, separation of insureds, defense, cross liability and contractual liability coverages (with no limitation endorsement).

The City of Chicago is to be named as an additional insured under the Licensee's and any subcontractors policy. Such additional insured coverage shall be provided for the Mortgagee, its employees, elected officials, agents and representatives shall be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the Project.

c) *Automobile Liability Insurance (Primary and Umbrella)*
When any motor vehicles (owned, non-owned and hired) are used in connection with the Project, the Mortgagor shall provide comprehensive automobile liability insurance with limits of not less than $1,000,000 per occurrence, combined single limit, for bodily injury and property damage. Mortgagee shall be named as an additional insured on a primary, non-contributory basis.

d) *All Risk Property Damage*
Mortgagor shall obtain an all-risk property policy in the amount of full replacement value, including improvements and betterments, covering damage to or loss of the Premises. The insurance shall include the following extensions: business interruption/loss of rents, and boiler and machinery, if applicable. The policy shall list Mortgagee as loss payee as their interest may appear.

e) *All Risk Builders Risk Insurance*
When Mortgagor, the General Contractor or any Subcontractor undertakes any construction, including improvements, betterments and/or repairs, to the Premises, all risk builder's risk insurance shall be procured and maintained to cover materials, supplies, equipment, machinery and fixtures that are or will be part of the Premises. Mortgagee shall be named as loss payee as their interest may appear.

f) Railroad Protective Liability Insurance

When, in connection with the Project, any work is to be done adjacent to or on property owned by a railroad or public transit entity, Mortgagor shall procure and maintain, or cause to be procured and maintained, with respect to the operations that Mortgagor, the General Contractor or any Subcontractor shall perform, railroad protective liability insurance in the name of such railroad or public transit entity. The policy shall have limits of not less than $2,000,000 per occurrence, combined single limit, and $6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

g) Contractors' Pollution Liability Insurance

When any environmental remediation work is undertaken by Mortgagor, the General Contractor or any Subcontractor in connection with the Project, contractors' pollution liability insurance shall be procured with limits of not less than $1,000,000 covering all construction and related work undertaken in connection with the Project. Mortgagee is to be named as an additional insured on a primary, non-contributory basis. Mortgagor, the General Contractor and any Subcontractor shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commission's regulations, Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transportation of Hazardous Materials.

Mortgagor shall furnish the City of Chicago, Department of Housing, 121 N. LaSalle Street, Room 1000, Chicago, Illinois 60602, original certificates of insurance evidencing the required coverages to be in force on the date hereof, and renewal certificates of insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term hereof.

The receipt of any certificate does not constitute agreement by Mortgagee that the insurance requirements of this Section have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements. The failure of Mortgagee to obtain certificates or other insurance evidence from Mortgagor shall not be deemed to be a waiver by Mortgagee. Mortgagor shall advise all insurers of the provisions of this Section regarding insurance. Non-conforming insurance shall not relieve Mortgagor of its obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions of this Section may constitute an Event of Default, and Mortgagee retains the right to suspend disbursement of Loan proceeds until proper evidence of insurance is provided.

All insurance policies shall provide that Mortgagee shall be given 30 days' prior written notice of any modification, nonrenewal or cancellation.

If Mortgagor fails to obtain or maintain any of the insurance policies required under this Mortgage or to pay any premium in whole or in part when due, Mortgagee may (without waiving or releasing any obligation or Event of Default by Mortgagor hereunder) obtain and maintain such insurance policies and take any other action which Mortgagee deems advisable to protect its interest in the Premises, including acceleration of the Note. All sums so disbursed by Mortgagee, including attorneys' fees, court costs and expenses, shall be reimbursed by Mortgagor upon demand by Mortgagee.

Mortgagor shall require the General Contractor and all Subcontractors to carry the insurance required herein, or Mortgagor may provide the coverage for any or all of the General Contractor and Subcontractors, and, if so, the evidence of insurance submitted shall so stipulate.

Any and all deductibles or self-insured retention on the insurance coverages required herein shall be borne by Mortgagor, the General Contractor or the appropriate Subcontractor, as applicable.

Mortgagor expressly understands and agrees that any insurance coverages and limits furnished by Mortgagor shall in no way limit Mortgagor's liabilities and responsibilities specified under any of the Loan Documents or by law.

Mortgagor agrees and shall cause the General Contractor to agree that all insurers shall waive their rights of subrogation against Mortgagee, its employees, elected officials, agents or representatives.

Mortgagor expressly understands and agrees that any insurance or self-insurance programs maintained with respect to the Premises by Mortgagee shall apply in excess of and not contribute with insurance provided by Mortgagor, the General Contractor or any Subcontractor under this Section.

The insurance required hereunder to be carried shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

If Mortgagor, the General Contractor or any Subcontractor desires additional coverage, higher limits of liability, or other modifications for its own protection, Mortgagor, the General Contractor or such Subcontractor, as appropriate, shall be responsible for the acquisition and cost of such additional protection. Mortgagee maintains the right to modify, delete, alter or change these requirements.

G. Davis Bacon/Prevailing Wage Rates

Project owners that receive federal funds for a minimum number of units, which varies by funding source, are required to pay prevailing rates to construction workers pursuant to 40 U.S.C. Section 276a-5 (the "Davis Bacon Act"). CDBG funded projects with eight or more units fall under this provision; HOME and Rental- Rehab funded projects with 12 or more units fall under this provision.

Prevailing rates are minimum hourly wages and minimum fringe benefits as determined by the U.S. Department of Labor for Cook County. All construction workers, whether employed by a general contractor or subcontractor, are covered by this provision.

The developer and general contractor are required to attend a pre-construction conference with the Department of Housing compliance monitoring section to review the requirements for compliance with the Davis Bacon Act.

H. MBE/WBE Participation Requirements

The Municipal Code of the City of Chicago, Section 2-92-420 requires specific levels of participation by minority and women owned businesses on contracts and contractual activity generated by the City. In general, 26% of construction contracts are required to be awarded to minority business enterprises (MBEs) and 6% to women business enterprises (WBEs).

MBEs and WBEs must be certified by the City of Chicago Department of Procurement Services or Cook County.

It is the policy of the Department to meet these goals for all projects receiving any City assistance regardless of whether compliance is mandated by the ordinance.

Section V: Forms

Form A. AUTHORIZATON AND CERTIFICATION - All Applicants must complete

All information contained in this application is true and complete to the best of the applicant's knowledge and belief. Applicant agrees to comply with all Department of Housing policies and guidelines, City of Chicago ordinances and codes and any applicable federal laws, regulations and guidelines. Application materials remain the sole property of the Department of Housing, including real estate appraisals and architectural drawings, if applicable.

While processing this application the Department of Housing may conduct credit checks, property inspections, verification of information, discussions with lenders and development team members identified herein and have the City of Chicago Department of Buildings release existing code inspection reports cited against the subject property and other property identified as being owned by the applicant. The undersigned hereby acknowledges and authorizes these actions.

The applicant assumes responsibility for selecting and using contractors which conform to the Department of Housing's standard. The Department does not warrant the performance of any contractor.

Penalty for False or Fraudulent Statement, U.S.C. Title 18, Sec. 1001. Provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than $10,000 or imprisoned not more than five years or both."

In Witness whereof, the applicant has caused this document to be duly executed by an authorized officer in its name on this ________day of_____________________, 20 ______.

Name: ____________________________
Signature: _________________________
Title: ______________________________
Relationship to Applicant: ____________

Name: __________________________________
Signature: ________________________________
Title: ___________________________________
Relationship to Applicant: _________________

Subscribed and Sworn to Before me on
this day _____________, 20 ____.

Notary Public
My commission Expires:

Form B. TAX CREDIT AUTHORIZATION AND CERTIFICATION

All Tax Credit Applicants must complete:

The applicant is responsible for ensuring that the project consists or will consist of a qualified low income building or buildings as defined in the Internal Revenue Code, Section 42, and will satisfy all applicable requirements of federal tax law in the acquisition or construction and operation of the project to receive the low-income housing tax credit.

The applicant is responsible for all calculations and figures relating to the determination of eligible and qualified basis for the building(s) and understands and agrees that the amount of the credit is calculated by reference to the figure submitted with this application.

The applicant is responsible for supplying current costs of development to the Department of Housing. These costs must correspond to costs identified on all applications submitted to other funding and investor sources by the applicant.

The undersigned hereby makes application to the City of Chicago for reservations, carryover allocations, or allocation of housing credit dollar amounts as listed in the application. The undersigned agrees that the City of Chicago Department of Housing will at all times be indemnified and held harmless against all losses, costs, damages, expenses and liabilities (including, but not limited to attorney's fees, litigation and court cost, amounts paid in settlement, amount paid to discharge judgment from the Internal Revenue Service) directly or indirectly resulting from, arising out of, or related to acceptance, consideration and approval or disapproval of such allocation request.

The undersigned hereby acknowledges that, if a tax credit reservation is made, the Department of Housing reserves the tax credits for the project and the applicant. Reservations are not transferable. Any changes require written notice and approval by the Department.

The undersigned, being a duly authorized officer of the applicant, hereby represents and certifies that the foregoing information, to the best of his/her knowledge, is true and complete and accurately depicts the proposed project.

IN WITNESS WHEREOF, the applicant has caused this document to be duly executed by an authorized officer in its name on this __________________ day of ______________, 20 ____.

Name: _____________________________
Signature: __________________________
Title: ______________________________
Relationship to Applicant: ______________

Name: _________________________________
Signature: ______________________________
Title: __________________________________
Relationship to Applicant: ________________

Subscribed and Sworn to Before me on
this day ______________, 20 ____.

Notary Public
My commission Expires:

FORM C: CREDIT CHECK AUTHORIZATION

Please use this template to prepare the letter that allows us to review your credit with the bank references you provide. The signed letter of consent is necessary because of the laws concerning the rights to privacy of information act.

This letter will only be used to authorize DOH to ask the following three questions of your bank references:

- Is this developer a customer of your establishment?
- Is the customer in good standing?
- What type of account do they have with your bank?

Date:

Marisa Novara
Commissioner
Department of Housing
121 N. LaSalle
Chicago, IL 60602

Dear Ms. Novara,

I ____________________ representing (Name of Company), for the project called (Name of Project), hereby grant the City of Chicago Department of Housing permission to contact the credit references submitted as part of the New Homes for Chicago Program, City Lots for City Living Program or Multi-Family Project Financial Assistance Application. These references may be contacted with the understanding that information requested is limited to verifying the status of the business relationship with each reference for the purpose of the proposed project submitted in the application.

Sincerely,

(Your Name)

FORM D: CONTRACTOR'S APPLCATION PACKAGE

Subject the 2023 ATS manual.

FORM E: Economic Disclosure Statement

The City's EDS forms are required for Stage Two applications. Instructions and forms are online at https://www.chicago.gov/city/en/depts/dps/provdrs/comp/svcs/economic_disclosurestatementseds.html.

FORM F: Pro-forma

The City's proforma is online at chicago.gov/multifamily. All Stage One applications are required to submit a proforma using the City's form.

FORM G: Housing Development Meeting Request Form

This form is online at https://webapps1.chicago.gov/eforms/housingdevelopment and should be completed and submitted in order to meet with DOH Project Managers in order to discuss new and proposed projects, or to request DOH letters of support. Intake meetings will not be held for applicants applying through the funding round while the round is open and as applications are being evaluated.

FORM H: Underground Facility Review

Required for all projects requiring City land or work in the public way.
https://www.chicago.gov/content/dam/city/depts/cdot/OUC/OUC-Applicant_Manual.pdf

FORM I: Project Assessment Matrix

This matrix illustrates where the project design exceeds, meets and misses the ATS manual requirements and is online at chicago.gov/multifamily.

Form J: DOH QAP Relocation Overview Form

This form is required for all projects with existing tenants and is online at QAP_URA_Overview.pdf (chicago.gov)

Form K: Eviction Prevention Plan Template

This form is required for all projects. A template can be found online at chicago.gov/multifamily.