

| 2025 QAP - PUBLIC COMMENTS AND RESPONSES | | |
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| DOH policy now treats a 10% or greater change in total project cost or any single budget line item as a Project Modification, potentially triggering penalties, including revocation of consideration for City Financial Assistance. While the intent is understood, stakeholders express concern that this standard is too rigid in practice, arguing that line item fluctuations are normal and often don't materially affect the overall budget. Commentary recommended applying the 10% threshold only to total project cost, not individual line items, and also urged the City to account for cost increases due to extended timelines and market volatility, especially in construction. | <p>We recognize that development budgets are subject to change, especially in today's volatile construction environment. However, in the interest of upholding consistent standards and appropriate oversight of public resources, the Department will maintain the current threshold. This approach is aligned with the Illinois Housing Development Authority, which applies the same 10% threshold to both total costs and individual line items. It's important to clarify that reaching this threshold does not automatically result in comprehensive re-underwriting, penalties, or cancellation of support. The Department does not take any action to revoke or cancel City financial assistance lightly.</p> <p>That said, the City does reserve the right to reconsider its participation in a project if a cost-related modification, whether to the total budget or to a line item, raises concerns about the project's alignment with previously approved terms. In such cases, we will carefully evaluate the full context, including any protracted development timelines or market-driven cost increases, before making any determination.</p> <p>At the same time, the Department asks for greater discipline from the development community in containing costs and encourages development partners to approach budgeting with as much accuracy as possible. While some level of contingency is expected, excessive padding (or undervaluing) of line items can complicate review and approval processes and undermine trust. A shared commitment to accurate budgeting will help ensure smoother collaboration and successful outcomes for all stakeholders.</p> | QAP Section X |
| Remove or reduce certain design requirements from the PPA submission to align with its goal of minimizing early-stage costs. Specifically, the requirement for color renderings and two massing studies is seen as excessive, costly, and potentially premature, especially since massing studies may not yet be relevant under existing zoning. These demands place a heavy burden on architects, especially smaller firms, and raise soft costs before project approval. Additionally, the term "specs" in the "Preliminary Architectural Drawings" section should be removed due to its legal implications and inconsistency with other PPA guidance. | <p>We appreciate the feedback regarding the cost and effort associated with producing renderings and massing studies at the PPA stage, especially for smaller design teams and early-stage developers. We recognize that generating high-resolution graphics and formal studies can be resource-intensive and may suggest a premature level of design finality that is not appropriate for this conceptual phase.</p> <p>At the same time, it is essential for the City to receive some visual representation of proposed projects – both in terms of architectural character and overall massing – to support site, market, and feasibility review, initiate informed planning discussions, and enable meaningful community engagement. These materials help staff and partners move beyond abstract descriptions to better understand how a proposal relates to its physical and community context.</p> <p>To strike a balance between these competing needs, we are updating our application requirements as follows:</p> <ul style="list-style-type: none"> - Renderings and Visual Materials: At PPA, we will allow conceptual or schematic renderings in lieu of polished, high-resolution, or color-intensive images. A conceptual palette and representative reference images (such as precedents or diagrams) are acceptable for conveying initial direction for materials and fenestration. - Massing Studies: Only one (1) massing study will be required at the PPA stage, accompanied by explanatory notes. Quick stacking or volumetric diagrams are acceptable. The inclusion of façade references or architectural imagery is encouraged. - Terminology: We will revise the language of the PPA requirements to remove the use of term "specifications," which have legal and professional implications not appropriate at this early stage of design. <p>These adjustments aim to keep the PPA process accessible while ensuring the Department has enough information to evaluate projects in context. Reference imagery and basic massing diagrams – similar to approaches used in conceptual design phases at larger firms – are reasonable and valuable tools at this early point in project development. As projects advance if selected for further consideration, they will be expected to develop more fully articulated plans, with opportunities for DOH and DPD staff to engage in deeper design collaboration aligned with broader project goals.</p> | QAP Section VII.H.ii |
| The new QAP guidance requires zoning changes to be in progress by the full application stage. DOH is encouraged to work closely with DPD and aldermanic offices to ensure preparedness and awareness. Since zoning changes in Chicago often involve detailed architectural plans and community-driven processes, any major redesign after award could lead to significant delays, costs, and community distrust. To prevent unnecessary re-filings, DOH and DPD should restrict design feedback to published ATSM items or zoning-specific issues. | <p>The updated policy clarifies and adjusts the requirements for projects pursuing rezoning, variances, special uses, or Planned Developments (PDs). Specifically, the policy now outlines that:</p> <ul style="list-style-type: none"> - Applicants must provide an advisory opinion letter from the Zoning Administrator, and - One or more forms of documentation showing progress toward entitlement (e.g., evidence of initiation, current status, or anticipated review timeline). <p>This language is deliberately flexible and does not require submission of all listed items. Rather, it allows applicants to demonstrate appropriate progress based on where they are in the entitlement process. These changes represent a shift from an earlier, more rigid expectation of zoning certainty at the time of full application. Instead, the revised approach supports early, good-faith engagement in the zoning process without requiring full completion, balancing readiness with practical feasibility.</p> | QAP Section VIII.D |

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| Clarify the process for requesting soft funds outside the QAP round, particularly for projects pursuing IHDA financing, and provide clear guidance on what constitutes a reasonable request. A defined benchmark—whether per unit, per project, or tied to total development cost—would help developers appropriately size proposals. | <p>In response to this feedback, the Department clarifies that requests for Multifamily Gap Financing (excluding 9% LIHTC) may be considered up to 20% of Total Development Cost (TDC), subject to the availability of funds, project eligibility, and alignment with the City's housing priorities. This benchmark is intended to help Sponsors appropriately size proposals while supporting a more predictable and transparent funding process.</p> <p>Sponsors are expected to submit competitive applications that demonstrate cost efficiency and responsible use of both public and private resources, while remaining consistent with DOH's design and construction standards. Projects that require City support should be structured to maximize leverage and financial sustainability.</p> <p>DOH further clarifies that Multifamily Gap Financing is generally available only when IHDA or the City has an open funding round.</p> | USG Section II.B |
| In low- and moderate-income (LMI) areas where market rents fall below Chicago Housing Authority (CHA) limits, the City should implement a rent escalation mechanism. This would adjust project-based voucher (PBV) rents upward to improve project feasibility and ensure a minimum 5% profit margin, supporting long-term viability for developers and investors. Additionally, to support affordable housing in LMI areas, the City should partner with the County to offer a 24-month property tax exemption during pre-development through lease up, plus a 12-month tax reduction thereafter for qualifying LIHTC projects. | <p>No changes made in response to this commentary. The City of Chicago does not set PBV rent levels. This authority rests with the Chicago Housing Authority (CHA), which determines PBV rents based on federal U.S. Department of Housing and Urban Development (HUD) guidelines. CHA calculates these rents using comparable market rents, in accordance with HUD's regulatory framework. As such, the City does not have jurisdiction to unilaterally escalate PBV rents or modify CHA rent-setting methodologies. While the City may not have direct control over PBV rent-setting, the City can resolve to continue interagency discussions with CHA to explore whether CHA can use existing HUD flexibilities (such as exception payment standards) in limited cases.</p> <p>Second, any proposed rent escalation mechanism tied to guaranteeing a minimum profit margin (e.g., 5%) introduces complexity. Affordable housing finance depends on a range of variables, including construction costs, financing structure, and ongoing operating expenses. Guaranteeing a profit margin through policy, especially using public funds or regulatory tools, may raise broader concerns and is not a standard practice in public-sector affordable housing programs. Regarding property taxes, publicly-owned land is already tax-exempt; many affordable developments in LMI areas are built on City- or County-owned properties. Implementing this policy could require changes at the county and state level. There is a high potential for abuse or misuse (without clear enforcement provisions, developers could claim exemption without delivering true affordability or timely lease-up or delay construction while still benefitting from tax relief). There's a risk of incentivizing land banking under the guise of affordable development and concern that the tax burden is shifting to other property owners, including residents of the same LMI communities.</p> | Not Applicable |
| For approved projects on City-owned land, the City should complete key predevelopment tasks, such as securing zoning approvals, clearing liens, demolishing unsalvageable structures (or offering demolition grants), and funding public-way improvements (e.g., sidewalks, streets, utilities)—before transferring the site to a developer. To reduce barriers and improve coordination for affordable housing, a dedicated Project Manager should be assigned to each planning region to serve as a liaison between developers, City departments, sister agencies, and committees. Regular forums and monthly check-ins should be held to enhance transparency and guidance. | <p>No changes made in response to this commentary. In limited cases involving City-owned land and as has been the City's practice, the City may consider undertaking limited participation in certain pre-development or development activities related to demolition, environmental remediation, or public-way improvements to support a housing project. However, suggestions for the City to deliver sites fully prepared, with zoning changes, lien clearance, demolition, and infrastructure, exceed current policy and practice. The approach proposed by the commentary would significantly expand the City's role, raising concerns about feasibility, staffing, and accountability. Developers are expected to manage early-stage risks and approvals, and shifting these responsibilities to City staff would blur public-private roles and risk greater inefficiencies.</p> <p>Beginning with the 2025 Funding Round, the Department adopted a two-step application process, modeled after IHDA, including a Preliminary Project Application and a Full Project Application. Conditional PPA approvals come with a clarification period to address issues before Full Project Application submission, aiming to improve transparency and readiness, especially for smaller developers, while keeping the process scalable.</p> | Not Applicable |

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| Developer fee policy should not cap fee at lesser of \$2.5M or 6% of TDC; modify fee formula to make calculation more favorable (e.g. start at 15% of certain costs instead of 10%); eliminate 6% cap; increase total paid fee; increase deferred fee to 15% "recommended by NCSHA" to reduce 4% LIHTC project resource needs. | <p>The Department's updated developer fee policy, as more fully described in the Underwriting Standards Guide, responds to long-standing feedback from affordable housing developers about the financial demands of complex urban projects. Among other things, the revised formula starts at 15% for the first \$5 million in fee-based costs and 5% for the first \$20 million in acquisition costs (for unrelated parties), better aligning with industry norms and early project risk.</p> <p>While NCSHA advises a 15% cap on total development costs, this is not a blanket standard. The Department's tiered approach ensures fees are proportional to project size and complexity. A \$2.5 million cap on paid fees applies to projects using Multifamily Gap Financing, promoting efficient use of limited public funds. A waiver process allows additional deferred or recontributed fees, especially when they reduce reliance on City financial assistance. This structure aims to fairly compensate developers while ensuring responsible resource management. The City will monitor and evaluate the policy in ongoing collaboration with development partners.</p> | USG Section III.E |
| Avoid paying contractors at prevailing wages and control costs generally by allowing a market-rate developer to build first, then use City resources including LIHTC and Multifamily Gap Financing to finance a separate transaction to allow an affordable owner/developer to acquire. | <p>No changes made in response to this commentary, which recommends an approach that is infeasible under federal requirements and reflects a fundamental misunderstanding of the regulatory frameworks that govern affordable housing finance and compliance.</p> <p>LIHTC Compliance: The LIHTC program requires that the entity claiming the credits must directly incur eligible development costs and maintain continuous ownership throughout construction and initial operation. A project constructed by a market-rate developer and later acquired by a different owner would not meet this requirement. Under this approach, key components of the transaction, such as soft costs and basis in construction costs, would be excluded from the tax credit eligible basis of the new owner. Moreover, acquisition credits cannot be applied to new construction or generally to properties that are less than 10 years old, effectively disqualifying this approach from both acquisition and new construction/rehab credits. These are not merely technicalities – they are foundational to how LIHTC operates.</p> <p>HOME Program Limitations: Federal programs like HOME, which is a significant source of funds the Department utilizes to support the development of affordable rental housing in Chicago, mandate that affordability covenants, environmental reviews, and Davis-Bacon prevailing wage standards are in place prior to the start of construction. These requirements are embedded in pre-construction approval processes and cannot be imposed retroactively. A post-construction acquisition strategy would violate program terms and disqualify the project from HOME or other federally sourced funds.</p> <p>Prevailing Wage Requirements: We are especially concerned by the suggestion that this model could be used to avoid prevailing wage and other labor standards. Prevailing wage laws are in place to ensure fair compensation for workers on publicly supported projects and are not optional. Efforts to "work around" these rules are neither compliant nor acceptable. Any attempt to sidestep these requirements in the name of "cost control" not only disregards legal obligations but also sends the wrong message about our city's values.</p> <p>Profiteering Risk: In addition to the technical compliance barriers that render this suggestion a nonstarter, this approach introduces significant profiteering risk. If a market-rate developer constructs a project and then transfers it, at a markup, to an affordable sponsor for LIHTC qualification, the transaction may embed non-credit-eligible costs such as excess profit, inflated valuations, or non-transparent markups. This undermines the public purpose of the LIHTC program, which is designed to support development directly tied to affordable housing outcomes, not to subsidize speculative gains through back-end acquisitions. For this reason, IRS rules and investor due diligence impose strict scrutiny on related-party transactions and acquisition pricing, further reinforcing the program's requirement that eligible basis be grounded in actual, incurred costs by the LIHTC applicant.</p> | Not Applicable |
| Distribute resources citywide according to (a) fixed percentage to regions or (b) needs-based formula or (c) separate fixed allocations for new construction and rehabs. | No changes made in response to this commentary. The City does not allocate resources by fixed regional percentages, needs-based formulas, or set splits between new construction and rehab. While well-intentioned, such rigid frameworks may inadvertently limit responsiveness or create inefficiencies. Instead, funding decisions are made holistically, balancing policy goals, project readiness, financial viability, geographic distribution, and public benefit to ensure a responsive and effective allocation strategy. | Not Applicable |

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| Comments requested clarification on whether Emerging Developers must be both co-owners and co-developers, and, if so, recommended setting a minimum developer fee share. Suggestions included lowering the 49% control threshold to reduce financial barriers, increasing the LIHTC cap from 3 to 5 awards, and raising developer fees by 25% in joint ventures to account for fee-splitting and low local limits. Some supported removing the rule that Emerging Developer nonprofits must be less than 10 years old, noting older organizations may be new to development. | <p>The final QAP includes changes to the Minimum Emerging Developer Control Requirement: emerging developers must hold at least 35% control in all aspects of the owner entity, including ownership, cash flow, developer fee rights, voting, design, financing, consultant selection, and management. This applies regardless of role or region and is intended to ensure real, not symbolic, participation. The Department has not changed LIHTC award cap for emerging developers as described in the QAP. The Department has changed its developer fee policy as summarized in a separate response and as more fully described in the Underwriting Standards Guide, provided that these policy changes do not include a specific provision for increasing any amount of developer fee in connection with joint venture arrangements.</p> <p>The City's Law Department will not review or approve private joint venture agreements. The Department of Housing will evaluate compliance with the 35% control requirement during application and underwriting, based on submitted documentation.</p> <p>We also received comments recommending shorter Right of First Refusal (ROFR) timelines to support earlier long-term ownership by emerging developers. However, due to federal LIHTC program constraints and investor requirements, ROFR transfers typically aren't feasible before year 15. While earlier transfers (e.g., at 5 or 10 years) are desirable, they may not be viable under current syndication models. We remain open to exploring innovative approaches within these constraints.</p> <p>Lastly, in response to feedback, the final QAP removes the rule limiting Emerging Developer nonprofits to those formed within the past 10 years.</p> | QAP Section VIII.M.iii |
| Clarification about twinning financial plans was requested by commenters. | The final USG maintains the City's policy that prohibits twinning in a single physical building and disallows blending 4% and 9% LIHTC units within the same structure ("checkerboard twinning"). Only proposals involving separate buildings under a Common Development Plan, without checkerboard twinning, will be considered for City Financial Assistance in connection with the PPA stage of the 2025 Funding Round. | USG Section II.A.ii |
| Some commentary recommended changes to contingency reserve policy, specifically, (i) broader use of contingency funds to include change orders from regulators or unforeseen conditions like errors, delays, or rehab issues, (ii) provision to reallocate unused contingency for pre-approved "add alternates" that enhance durability, efficiency, or resident experience, (iii) protecting developer fees by prohibiting reducing paid fees before contingency funds are exhausted, and (iv) providing for emergency flexibility to permit limited exceptions to pre-approval rules for urgent, time-sensitive construction needs. | <p>As will be set forth in the forthcoming ATSM, we remain open to allowing contingency funds to be used for legitimate, unanticipated scope changes including those required by regulatory agencies or city inspectors, and in situations where action is necessary to protect health and safety.</p> <p>However, DOH emphasizes that rehabilitation or adaptive reuse project scopes, especially for structural, envelope, and code-compliance work, must be, to the greatest extent possible, fully defined and costed prior to financial closing. While we understand that external pressures (e.g., expiring commitments, competitive funding deadlines, or stakeholder urgency) may create incentives to close quickly, rushing to closing with an incomplete or overly optimistic scope and budget is a problematic practice. It increases risk for all parties, creates administrative burden, and undermines confidence in the project delivery process. The use of post-closing scope adjustments to address foreseeable issues is not an acceptable substitute for thorough predevelopment planning. To that end, DOH affirms that paid developer fees will not be reduced to cover change order costs until all available contingency reserve funds have been fully disbursed. This policy is particularly important to support equitable compensation structures, including for Emerging Developers participating in joint ventures.</p> <p>Additionally, the Department will allow 100% of contingency reserves to be counted in eligible basis for rehabilitation projects utilizing bonds and 4% LIHTC, recognizing the distinct cost uncertainty inherent to such scopes. The Department's change order policies and procedures may be subject to further refinement in the forthcoming ATSM. As we finalize revisions to the ATSM, the Department remains committed to a construction administration framework that promotes fiscal integrity, realistic budgeting, fair partner treatment, and strong outcomes for residents.</p> | ATSM (forthcoming) |
| Applicants receive one additional point if they can demonstrate that their project will be "permanently affordable." Eligible projects could include community land trusts, limited-equity co-ops, shared equity models, or those with long-term (e.g., 99-year) affordability restrictions that are not easily subordinated. The intent is to encourage long-term affordability, promote community stability, and stimulate broader discussions around sustainable housing strategies. | <p>No changes made in response to this commentary. The City will not adopt a one-point scoring incentive for "permanent affordability." The QAP does not use a quantitative point-based evaluation system.</p> <p>While the City supports durable affordability, models such as community land trusts or co-ops face structural and regulatory barriers within the LIHTC program. These arrangements conflict with federal requirements during the 15-year LIHTC compliance period, which among other things mandate stable, conventional ownership and rental (not sale) of units to qualified households. It is generally not feasible for community land trust or co-op models to be embedded in project structures at the time of application due to these regulatory constraints and the inherent uncertainty around whether such structures can or will be sustained and implemented after the initial 15-year LIHTC compliance period ends. The City will continue to promote long-term affordability through enforceable covenants and programmatic tools already integrated into public funding sources. We note that LIHTC-related affordability covenants specifically survive foreclosure except in very limited cases. We also note that most LIHTC-funded projects already include long-term affordability protections through layered public funding sources, such as HOME, CDBG, TIF, public housing programs, or state housing programs, with affordability covenants that frequently extend beyond 30 years.</p> | Not Applicable |

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| Comments requested clarification as far as what is needed for the PPA if the City of Chicago is acquiring a privately owned site and has an executed PSA with a third party and will be transferred to a developer in the future. Commentary suggesting allowing written correspondence from the seller at PPA stage was also submitted. | <p>In response to this feedback, the City is open to allowing written correspondence from the property owner indicating a clear willingness to sell, donate, or lease the site long-term as an acceptable form of preliminary documentation at the PPA stage. This allowance may apply to both straightforward and more complex arrangements, provided that the correspondence is signed, dated, project-specific, and demonstrates a credible intent to proceed with the transaction. The Department has revised the relevant policy language in the QAP accordingly.</p> <p>However, the full site control requirements outlined in Section VIII.C will remain in effect and must be met without exception at the Full Project Application stage. All projects must submit formal documentation of site control at that time, including binding agreements valid for at least twelve months beyond the Full Application deadline, legal descriptions, pricing information consistent with the project budget, and compliance with any applicable environmental or acquisition requirements.</p> <p>This includes projects involving multi-party or sequential transfers, such as those in which a site is first conveyed to a public entity with the intent to subsequently transfer it to the Project Sponsor or Owner. In such cases, any delays in the intermediary conveyance process will not exempt the project from meeting the Full Project Application site control requirements in full and on time.</p> | QAP Section VIII.C |
| Commenters suggested defined scoring or ranking criteria for different preferences noted in the QAP. | No changes made in response to this commentary. Currently, the City does not use a points-based system. Proposals are evaluated based on overall alignment with QAP policy goals – such as affordability levels, preservation of existing housing, permanent supportive housing, and use of public land – as well as development team capacity, project readiness, financial feasibility, and anticipated public benefit. These criteria are applied holistically and are not assigned weights or ranked by priority. In response to this feedback, the Department is considering options for introducing a more structured scoring or prioritization system in future funding rounds to support Sponsor decision-making and improve clarity around project selection. | Not Applicable |
| Comments requested clarification about alignment between DOH and IHDA design and unit size standards. | Provisions for closer agency alignment are expected elements of the City's forthcoming Architectural Technical Standards Manual, which provides specific requirements for unit dimensions, layouts, and building features. | ATSM (forthcoming) |
| Clarify the order of funding source application and publish a breakdown of funding amounts by Priority Track. | No changes made in response to this commentary. The Department does not publish advance allocations by Priority Track. The Department does not anticipate publishing a breakdown of funding amounts by Priority Track, nor will it prescribe a fixed order of funding source application (e.g., HOME, TIF, CDBG). This approach reflects the flexible, needs-based nature of the City's affordable housing strategy, which prioritizes maximizing impact across a range of project types and neighborhoods. The Department evaluates each application on a case-by-case basis, taking into account project readiness, financial feasibility, geographic distribution, and alignment with City and community priorities. While Section 42 of the Internal Revenue Code requires that LIHTC be allocated according to a Qualified Allocation Plan, it does not require a predetermined allocation by track or a fixed funding stack sequence. The Department structures its reviews to remain compliant with federal law while retaining discretion to adapt to shifting needs, market conditions, and the availability of local, state, and federal resources. Subject to relevant provisions of the QAP and USG, Sponsors are encouraged to propose financing structures appropriate to their development model, while recognizing that the Department may adjust requested sources and amounts as part of its underwriting and project selection process. | Not Applicable |
| The Department should clarify the eligibility criteria for 2026 9% LIHTC, including how requests over \$1.5M will be evaluated for financial feasibility at PPA. It is recommended that the Department provide guidance on the average and maximum per-unit and total limits for gap funding requests from 2023–2024. Commentary also recommends allowing applicants to select between HOME-ARP and Recovery Plan Bond funding, with clear articulation of any differences in requirements and maximum PSH resource requests. Additionally, the Department is encouraged to outline the funding order across tracks and to define how Selection Preferences, Community Targeting, and geographic priorities will be applied. Finally, commentary suggests that the Department define "fair distribution" and clarify whether prior-round recipients will be deprioritized. | <p>The Department has increased the maximum initial 9% credit request at PPA from \$1.5M to \$1.8M. Sponsors should not submit applications requesting more than \$1.8M in 9% credits at PPA, as such requests will be considered financially infeasible, though subsequent to the PPA stage, DOH retains the discretion to adjust credit allocations above this amount based on project needs, funding availability, and alignment with city goals. Average per-unit gap financing amounts will be included in the forthcoming Underwriting Standards Guide.</p> <p>Financing source assignments, including between HOME-ARP and Recovery Plan Bond funds, are determined by the Department based on project needs, program fit, and availability of funds. Applications are evaluated holistically across Priority Tracks with no strict funding order. Selection Preferences and Community Targeting designations are considered qualitatively and may enhance a project's competitiveness, though they do not guarantee funding.</p> <p>Subject to the QAP, participants from previous rounds, whether funded or not, remain eligible to apply in future rounds. All decisions are made in accordance with DOH's commitments to accessibility, fairness, sustainability, and geographic balance.</p> | QAP Section III.C.iii; USG Section II.H |
| Comments on the Draft 2025 QAP urged the City to restore survivor protections removed since 2023, including references to VAWA, trauma-informed practices, and emergency transfer policies. They called for the VAWA Adherence Plan to be made public and included as a QAP appendix, requested clearer inclusion of all protected classes, and recommended explicitly naming survivors in threshold criteria, tenant selection plans, and set-aside policies. They emphasized aligning the QAP with the City's public commitments to survivor safety. | <p>We want to clarify that changes made between the 2023 and 2025 QAPs were not intended to reduce or roll back tenant protections, but to streamline and clarify the QAP's role as a technical, allocative document. We recognize the value of making key protections more visible and understandable within this framework, and we are making targeted revisions in response to the feedback received.</p> <p>The final QAP will include:</p> <ul style="list-style-type: none"> - Expanded references to applicable fair housing protections, including the Violence Against Women Act (VAWA); - Clarification that the VAWA Adherence Plan is a project-specific compliance tool, which is expected to be completed using a City-provided template, and required where applicable to operationalize survivor protections at the project level; - Revisions to the Unacceptable Practices section to explicitly include noncompliance with VAWA and survivor-specific protections as disqualifying; - Strengthened guidance on tenant selection plans, including expectations around non-discriminatory screening, reasonable accommodations, and responsiveness to the needs of vulnerable applicants. | QAP Section II.E; QAP Section II.F; QAP Section VIII.M.iv |

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| Create a public-facing webpage to display detailed information on all LIHTC projects—submitted and awarded—including project status, developer identity, funding type, and geographic data. This is intended to improve transparency and allow the public to track how housing funds are distributed across planning regions. | Many of the data points referenced—such as project name, development team, unit mix, financing type, and geographic identifiers—will be included in the revised LIHTC application. We intend to publicly disclose application information in a way that supports transparency and public understanding, while adhering to applicable legal and administrative requirements. These efforts are intended to improve access to information, not to establish a tiered development model or delegate accountability to external entities. | Not Applicable |
| Prohibiting adaptive reuse projects in the New Construction Priority Track is too limiting; adaptive reuse still results in new housing units and excluding it unnecessarily reduces the range of viable development options. | No changes made in response to this commentary. The intent of the New Construction Priority Track is to incentivize projects that result in the creation of entirely new residential structures, particularly in areas with acute housing shortages. While we recognize that adaptive reuse can be an effective strategy for increasing housing supply, especially in underutilized or vacant buildings, the New Construction Priority Track is specifically designed to target ground-up construction to maximize the overall expansion of the housing stock. That said, we acknowledge the value of adaptive reuse and will consider opportunities to support such projects through other funding pathways or program adjustments. | QAP Section IX.C |
| Create a shorter, PPA-specific Excel application, similar to IHDA's approach, instead of requiring applicants to complete most of the full Common Application, which is perceived to be overly burdensome for a preliminary submission. | No changes made in response to this commentary. We recognize the potential benefits of a shorter, PPA-specific Excel application, similar to IHDA's approach, and agree that this could streamline the process. However, due to current time and resource constraints, we are unable to develop and implement an alternative format for the 2025 Funding Round. We will consider this approach for future application cycles. For now, applicants should plan to complete the existing Common Application as part of the PPA process. | Not Applicable |
| The use of the State Referral Network (SRN) for referral coordination in connection with the CoC Set-Aside Requirement or for referral coordination for PSH Projects was suggested. | While we acknowledge SRN's role in broader state-level service systems, its use is not aligned with the City's goals for this initiative. The City prioritizes referral coordination through local systems of care that are better equipped to meet the specific needs of Chicago's priority populations. These include, but are not limited to, the Chicago Continuum of Care, Cook County Sheriff's Office, and the Department of Children and Family Services. Accordingly, the use of SRN is not considered an appropriate referral pathway for projects funded under this program. | QAP Section VIII.P.i |
| Clarification from the Department that co-locating a Federally Qualified Health Center or similar licensed medical facility is an acceptable arrangement within Housing Enhancement areas, even though commercial components are generally prohibited; this clarification is important for projects that meet the definition of PSH and seek to meet Medium and High Support criteria that may require on-site health services. | In response to this concern, the Department has clarified in the revised policy language that development proposals within Housing Enhancement Areas must not include leasable commercial space, except for community-serving uses—such as health clinics, childcare centers, job training facilities, or similar services—which may be permitted at the Department's discretion. This clarification is intended to ensure that supportive services essential to resident well-being, including those provided by licensed medical facilities such as Federally Qualified Health Centers, may be incorporated into projects where appropriate. This policy update supports the development of comprehensive, service-enriched housing while maintaining the integrity of Housing Enhancement Area goals. | QAP Section IX.C |
| Allow property management fees of up to 10% when used for targeted support services that enhance tenant stability and operational performance. | We support this recommendation, subject to DOH discretion when there is a clear demonstration of need. The Underwriting Standards Guide will indicate that fees above the standard 7% may be considered when: - The project presents specific operational challenges or includes supportive housing components; - A detailed and accountable management plan is provided; and - The proposed use aligns with eligible property management functions and does not duplicate social services. Services such as tenant engagement, eviction prevention, move-in/move-out support, and coordination with external providers may be appropriate when they directly support effective property management. This approach offers flexibility while preserving fiscal oversight and alignment with program goals. | USG |
| Eliminate the cost estimator requirement. | Under the revised approach, we are no longer requiring two estimates as was previously the case. However, a single third-party cost estimate may still be required as part of the Full Project Application. The forthcoming ATSM will provide the authoritative guidance on this requirement. The ATSM, which will be released soon, will clarify when a third-party cost estimate is necessary and how it should be submitted. | ATSM (forthcoming) |
| Concern that the market justification narrative required at the PPA stage places too much burden on applicants, especially since it must be completed before a full market study is available. Commenters questioned the burden of consulting different data resources or engaging with a market study professional and asked if the Department could instead rely on publicly available data or conduct part of the analysis internally, to ease the workload on applicants. | The Department has revised the requirement to a simplified Market Context Summary. This no longer requires detailed market analysis. Applicants must now provide a general description of the Primary Market Area and summarize unmet housing need using publicly available data. To ensure consistency and reduce uncertainty, the Department requires applicants to reference one or more of the data sources and indicators it uses in its own review. These are listed in Section VI.D.ii of the QAP and include resources from IHDA, CMAP, the Institute for Housing Studies, HUD, and others. While we recognize the value of a centralized mapping tool or consolidated data platform, the Department does not currently have the capacity to develop and maintain such a resource. Instead, we have taken a practical approach by grounding the Market Context Summary in a shared set of publicly available data sources. This ensures a transparent and consistent review standard without requiring Sponsors to replicate a substantial market analysis at the preliminary stage. | QAP Section VI.D.ii |
| Clarity about requirements for excluding basis boost from underwriting at PPA stage. | The Department has revised the relevant policy language in the QAP to allow for a basis boost at PPA for 4% LIHTC projects only. | QAP Section III.B.v |

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| Establish clearer standards for market criteria review. | <p>The QAP has been updated to clarify how market conditions are evaluated at the PPA stage. Sponsors must submit a Market Context Summary that defines the Primary Market Area using familiar geographic references and demonstrates unmet housing need using publicly available data sources listed in Section VI.D.ii.</p> <p>The Department assesses market strength based on indicators such as:</p> <ul style="list-style-type: none"> - Rent burden >45%, - Vacancy <8%, - Population growth ≥3%, - Fewer than 20% of units affordable at 60% AMI. <p>Projects with mixed indicators (e.g., rent burden 35–44%, vacancy 8–12%, flat population growth) must still demonstrate need. PMAs with vacancy above 12%, rent burden below 35%, or population decline >3% are generally considered weak unless justified with additional data.</p> <p>Third-party studies are not required at this stage but may be used. The final QAP outlines these requirements to ensure consistency and transparency.</p> | QAP Section VI.D.ii |
| Clarify: (i) the threshold (e.g., 20% of units) to qualify for preferences tied to deep affordability; (ii) what average income level qualifies a project for mixed-income recognition; (iii) minimum dollar amount or percentage of total sources from CHA sources required to earn the CHA capital funding preference; (iv) required number of very low-income units for Housing Enhancement Area preference; (v) benchmark or range showing how different levels of non-City funding will be evaluated | <p>The City does not assign fixed minimum thresholds (e.g., 30% AMI units, CHA capital contributions, average income levels, or leveraged resource amounts) for selection preferences. Projects are evaluated holistically based on alignment with QAP goals. The City does not use a points-based or weighted scoring system.</p> <p>For LIHTC projects using the Average Income Test, the average income across restricted units must not exceed 57% AMI. This is a compliance limit, not a selection preference.</p> <p>For leveraged resources, the QAP outlines qualifying non-City sources, such as private loans, non-City equity, philanthropic grants, or non-City public funding. There is no set minimum amount. However, the extent of leveraged resources will be reviewed and compared across submitted Common Applications as part of the City's evaluation of financial feasibility and efficient use of public funds. Documentation must be submitted with the Full Project Application in accordance with the City's underwriting standards.</p> | USG Section IV.E (re: Average Income Test) |
| Clarify if there will be a PPA appeal process. | The Department will not offer an appeals process for decisions made during the application or award process. All determinations, including those related to Preliminary Project Applications and Full Project Applications, are made at the sole discretion of the City. Sponsors are encouraged to request feedback through available debrief opportunities but should not expect reconsideration or formal review of funding decisions. No policy changes made in response to this commentary. | Not Applicable |
| Clarify the meaning of "incompatible uses" and "problematic site characteristics" as those terms are used in the draft QAP, and provide clarification about "site criteria" and "market criteria" review at the PPA stage, as well as metrics used for Transitioning Area reviews. | These terms have been defined in Section XIII of the QAP, and relevant content has been added to Section VI.D of the QAP, in response to this commentary. | QAP Section VI.D; QAP Section XIII |
| Clarity about if the Law Department will publish its opinions regarding legal risks or compliance on DEI-related provisions. | No, the City will not publish legal opinions or internal analyses from the Law Department. These materials are protected by attorney-client privilege and are not shared publicly. Sponsors and stakeholders are encouraged to focus on adherence to published requirements. | Not Applicable |
| Define "fair distribution" and clarify whether applicants who received funding in the previous round will be deprioritized. | "Fair distribution" refers to the City's commitment to allocating housing resources in a way that ensures geographic balance and responsiveness to local needs. Sponsors are not penalized solely for having received awards or for having been denied awards in connection with prior applications. However, the City will consider factors such as recent investments, pipeline saturation, regional coverage, and a Sponsor's performance on prior commitments as part of its holistic review process. | QAP Section I.B |
| Clarify how selection preferences interact with one another and whether any are weighted. | Selection Preferences signal alignment with City priorities but are not assigned weights or rankings. Meeting multiple preferences may strengthen an application's competitiveness if the overall proposal demonstrates readiness, feasibility, and consistency with QAP objectives. Each application is assessed holistically, and preferences are evaluated in the context of project design, site suitability, and public benefit. | QAP Section II.G.iii |

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| Clarify what average income level (e.g., 52% vs. 57% AMI) qualifies a project for "mixed-income" recognition in the selection process. | The City does not assign a specific minimum income mix or average AMI target that qualifies a project for "mixed-income" recognition as a selection preference. Projects are evaluated based on how the proposed affordability mix contributes to economic integration, supports housing choice, and aligns with QAP goals. While there is no fixed benchmark, projects where a meaningful share of units, typically at least 20%, serve households above standard affordable income tiers may demonstrate stronger alignment with mixed-income objectives. Sponsors are encouraged to clearly describe how their income tiers serve distinct population segments and advance inclusive neighborhood development. | Not Applicable |
| Consider adding HAP contracts, PBVs, or other project-based rental assistance resources to the list of "Leveraged Resources" that may be considered for preferences. | No changes made in response to this commentary. Rental assistance resources such as HAP contracts and PBVs are not included as "Leveraged Resources" because the leveraging preference is limited to development-phase funding sources that can reduce the City's capital contribution. | QAP Section IX.B |
| <p>1. Suggestion that the Department provide a list of providers that the Continuum of Care has funded to support ongoing services for Moving On individuals. Local providers have indicated that while Moving On Individuals may no longer require intensive services, they often still need case management and rental assistance. Many remain underemployed or earn low wages, making it difficult to afford even 30% AMI rents despite being ready for more independent living.</p> <p>2. Clarity regarding the type of rental assistance required on PSH units and if coordinated entry is required.</p> <p>3. Noting belief that the CHA is not always able to issue project-based vouchers for developments located in Gautreaux-limited areas, there appears to be a disconnect between the Department's requirements, the CoC funding structure, provider capabilities, and CHA's rental assistance availability.</p> <p>4. The QAP appears to incentivize a large shift in PSH project expectations, particularly those in the PSH Matrix. Without more guidance or funding, many projects may struggle to meet the new requirements. Given the complexity and implications, comments recommend that the Department provide more guidance and training on these requirements to the development community.</p> | <p>1. Moving On units are specifically for households ready to move on from supportive housing and no longer in need of ongoing services, so there is no specific contract in place to provide services to households living in Moving On units. That said, people who are referred into Moving On units from the Coordinated Entry System will (1) be assessed for readiness to move on by their current service provider partner and (2) will have ongoing transition case management support for the first six months following their move into new housing. Additionally, Moving On units have a maximum tenant rent at 30% AMI, but can also leverage additional subsidy through sources like the Chicago Low Income Housing Trust Fund of CHA vouchers.</p> <p>2. We do not intend to require coordinated entry for PSH developments (those with >25% of units as PSH units) – this will be clarified in the QAP text. There is no requirement on type of rental assistance utilized, and DOH will include examples of common rental subsidy sources, but cannot provide an exhaustive list.</p> <p>3. With the Gautreaux-limited areas no longer in effect, we do not anticipate this being a problem moving forward.</p> <p>4. Many of the requirements and expectations for PSH projects were originally included in the 2023 QAP, and updated for the 2025 QAP draft. DOH staff are willing to offer a PSH-focused training to take place with developers who were selected from the PPA round before they work to complete their full application. Additionally, DOH is willing to meet with any developers with technical assistance questions around PSH development. Lastly, DOH intends to work to develop a toolkit for developers around PSH requirements for the 5% set-aside and PSH development in partnership with key partners.</p> | <p>1. QAP Section VIII.P</p> <p>2. QAP Section IX.C and IX.D</p> <p>3. Not Applicable</p> <p>4. Not Applicable</p> |
| Noting that all LIHTC projects (except PSH) are required to meet 5% CoC Set-Aside Requirement, the City should have an allowance for capacity building and assistance grants for these specific units for service providers based on a fixed rate or formula to provide care and support in addition to the subsidized rents. | The Department does not currently have available funding for these uses, nor is there a current opportunity to obtain resources to fund this request. The Department will consider future funding opportunities for this use. | Not Applicable |

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| DOH should promote tenant screening practices that remove unnecessary barriers (e.g., credit checks, criminal history) and only require what funders mandate. Provide developers with IHDA's low-barrier TSP template as a model. Clarify that only general property-wide service plans—not individual tenant plans—should be shared between housing and service providers to preserve tenant privacy and maintain clear service-property management boundaries. Expand eligibility to include partnerships with other systems of care (e.g., DHS, DOC) to better serve individuals with serious mental illness, justice involvement, or other service needs. Add a selection preference for PSH projects that coordinate referrals with agencies such as DOC, DHS, DCFS, and the Sheriff's Office. Look to IHDA's QAP as a model. | The Department appreciates stakeholder input on promoting low-barrier Tenant Selection Plans (TSPs). Currently, the Department accepts TSPs that are substantially equivalent to IHDA or HUD templates. We have initiated efforts to develop a DOH-specific template and are actively engaging with stakeholders and reviewing approaches adopted by peer jurisdictions. In response to feedback, the Department will clarify in the QAP that only the general service plan for the property should be shared between housing and service providers. Individual service plans will remain confidential to preserve tenant privacy and maintain a clear distinction between service provision and property management roles. The Department recognizes the need to support a range of priority populations through the CoC set-aside. In addition to the two existing paths, we will allow developers to propose alternative approaches that identify the supportive housing population served, referral pathway used, and rental subsidy leveraged. These proposals will be reviewed on a case-by-case basis. The Department will introduce language that allows referral coordination with other systems of care, including the Illinois Department of Corrections, Cook County Sheriff's Office, DCFS, and DHS, but excluding the SRN, for PSH referrals. This change aims to strengthen cross-system partnerships and expand housing opportunities for high-need populations. | QAP Section VIII.P |
| The inclusion of a dedicated track for permanent supportive housing and the introduction of a detailed Supportive Services Matrix represents a significant shift in expectations for supportive housing projects. It is recommended that training and educational resources be provided to help development teams understand and apply these criteria effectively. Additional guidance is requested on how service teams, plans, and funding streams will be reviewed. Clarification is also needed on when service funding commitments must be demonstrated, what documentation is required, and how long-term compliance and performance will be evaluated. It is encouraged that the Supportive Services Matrix be treated as a flexible guide rather than a prescriptive checklist. Each project's service approach should be assessed based on its ability to meet the needs of the intended population, even if not every criterion is fulfilled exactly. For example, a project may align with a medium-support level without offering 24-hour staffing, depending on the population served and the strength of other supports in place. Clarification is requested regarding the types of rental assistance that qualify a project as permanent supportive housing. Clear guidance will support consistent application and help developers plan effectively. | <p>The Department acknowledges that the introduction of a dedicated Permanent Supportive Housing (PSH) track and the Supportive Services Matrix represents a significant advancement in the QAP. Many of the requirements were initially introduced in the 2023 QAP and have been refined for the 2025 draft. To support implementation, the Department will offer PSH-focused training for development teams advancing from the Preliminary Project Assessment (PPA) round before completing their full application. The Department is also available for technical assistance meetings and is developing a comprehensive toolkit to guide developers through PSH requirements and the 5% set-aside.</p> <p>The Department recognizes the importance of clear guidance on evaluating service plans, team qualifications, and funding commitments. Additional information will be provided on when and how service funding should be demonstrated, as well as on the ongoing compliance and evaluation process for PSH projects.</p> <p>The Department affirms that the Supportive Services Matrix is intended to serve as a flexible guide rather than a strict checklist. Projects will be assessed based on their overall approach to service delivery, even if not all Matrix items are met exactly. For example, a development may meet Medium support standards without 24-hour staffing if other robust supports are in place. The Department will also clarify that co-location with licensed medical providers is allowable in Housing Enhancement areas, even where commercial uses are generally restricted.</p> <p>There is no requirement on type of rental assistance utilized, and Department will include examples of common rental subsidy sources leveraged, but cannot provide an exhaustive list. As an additional resource, through the All Inside initiative, a eligibility guide around various rental subsidy and homelessness housing programs was developed in 2024: https://usich.gov/sites/default/files/document/Chicago%20Participant%20Eligibility%20Documentation%20Guide%20BY%20Funding%20Source.pdf</p> | QAP Section VIII.P |
| Set a cost limit (in terms of cost per unit, cost per SF) | <p>We recognize the importance of controlling development costs to make the most of limited public resources. The Department will evaluate project cost efficiency using standard metrics, including hard construction cost per gross square foot and total development cost per unit, as reported in the Common Application.</p> <p>While there are no fixed cost caps, benchmarks, such as \$500 per square foot in hard costs or \$750,000 per unit in total development cost, may trigger additional review. Projects above these thresholds must provide clear, well-documented justifications. The Department may require value engineering, cost containment strategies, or further documentation to assess reasonableness. Exceptions may be considered for projects with unique conditions, such as historic rehabilitation or special construction types, at the Department's discretion.</p> <p>Cost thresholds will serve as guidelines, not limits. The goal is to identify outliers for closer review while allowing flexibility for high-value or complex projects. Any significant cost change, such as a 10% increase in total cost or key budget lines, will trigger formal reevaluation under the Project Modifications policy.</p> | USG Section III.B.ii |

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| Consider providing for certain intercreditor/subordination arrangements in connection with the senior lender during the construction period. | The City acknowledges the need for a balanced approach to Intercreditor Agreements (ICAs) in connection with construction-phase financing. To that end, the City is prepared to adopt a limited policy permitting ICAs with construction lenders, provided that appropriate protections are in place to safeguard public interests. This policy will be narrowly tailored to apply only to construction-phase loans and shall not be interpreted to extend to permanent financing. To ensure consistency, enforceability, and clarity, the City will implement a standardized ICA template. | Not Applicable |
| Clarify effect on Department's assessment of Redevelopment Area proposals if a project proposes a large (compared to relevant provisions in the QAP) amount of ground-floor commercial space. | <p>The inclusion of ground-floor commercial space beyond QAP guidelines is not necessarily disqualifying but may trigger closer review. The Department will assess such proposals based on how the commercial component supports project feasibility, complements residential use, and aligns with community needs and City goals.</p> <p>Projects with significant commercial space may be required to provide additional market justification. While not a dealkiller, the commercial element must be well integrated and clearly support long-term project success.</p> | QAP Section IX.C |
| Suggest further discussion on coordination with (i) CHA rental subsidies and CoC Set-Aside Requirement, (ii) including CHA subsidized units as part of definitions related to "Moving On Households," specifically. | The Department invites the CHA to coordinate with the Department regarding the mechanics of the 5% set-aside. CHA subsidies can serve as a subsidy source for set-aside units that follow the Moving On pathway as long as they accept referrals in coordination with the Continuum of Care. 2. The CHA subsidy as a source that serves households at or below 30% AML aligns with a portion of the definition of Moving On household. To fully meet the definition, CHA voucher-supported units in the set-aside need to coordinate with the Continuum of Care to leverage the referral path out of PSH housing to support the program-wide goal to increase PSH capacity. | Not Applicable |

PPA = Preliminary Project Application

FPA = Full Project Application

QAP = Qualified Allocation Plan

USG = Underwriting Standards Guide