I. INTRODUCTION

A. General Information

The Low-Income Housing Tax Credit Program (the “Program”) was instituted by the Tax Reform Act of 1986, as set forth under Section 42 (“Section 42”) of the Internal Revenue Code of 1986, as amended (the “Code”). Section 42 authorizes local housing finance agencies to allocate Low-Income Housing Tax Credits (“Tax Credits”) to qualified rental housing developments. The City of Chicago (the “City”) administers the Program through its Department of Housing (the “Department”).

This low-income housing tax credit qualified allocation plan (this “Plan”), as required under Section 42(m), establishes the priorities and selection criteria for the allocation of Tax Credits by the Department and administration of the Program until a subsequent allocation plan has been adopted by the City or until such time as the Program is terminated. Certain amendments to this Plan were previously made as a result of the Housing and Economic Recovery Act of 2008, Pub.L. 110-289, 122 Stat. 2654 (“HERA”). HERA was signed into law on July 30, 2008. HERA contained the most significant changes to the Program since its inception in 1986. All references to statutes and treasury regulations shall be deemed to include changes and modifications made therein from time to time. Nonetheless, the Department reserves the right to initiate future amendments to this Plan to reflect changes instituted by law and the Internal Revenue Service (the “IRS”) and to reflect changes in the City's priorities and selection criteria in connection with the allocation of Tax Credits.

The Department will evaluate applications for Tax Credits based on requirements of federal legislation and the Department's priorities and selection criteria. Adherence to these requirements is mandatory. The Department is unable to provide legal or tax advice as it relates to the Program. The Department encourages applicants to seek counsel in matters related to the use of Tax Credits.

The following funding amounts are estimated to be the maximum total amounts available for allocation.

<table>
<thead>
<tr>
<th>2019 QAP</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>9% LIHTC</td>
<td>5,027,234</td>
<td>7,278,115</td>
</tr>
<tr>
<td>Volume Cap Tax Exempt Bonds</td>
<td>270,686,502*</td>
<td>270,686,502*</td>
</tr>
</tbody>
</table>

*Annual volume cap is an estimate based on prior years. Actual allocation is based on the City and State population. Additional volume cap may be available due to prior year carry over.
The Department is optimistic about funding as many as eight (8) 9% LIHTC projects to close in 2020 and 2021. The Department anticipates choosing as many as four (4) 4% LIHTC projects. Projects leveraging other resources are highly encouraged.

**B. Purpose and Goals**

The Department will administer the Program in a manner which fosters the creation and preservation of quality, affordable housing units for a wide-range of individuals and families, efficiently uses available public resources, and also encourages the development and maintenance of diverse, livable neighborhoods that provide opportunities for high quality jobs, education and services, as well as safe and healthy lifestyles for all Chicagoans, including low-income residents. Successful applicants will receive a conditional Tax Credit reservation based on the determination that the undertaking is compatible with the goals and priorities of the Department. Regarding the Department’s selection criteria and preferences referenced in this Plan, when the Department announces a Tax Credit and/or Tax Exempt Municipal Bond application round, it may elect to establish one objective or a sub-group of objectives from these selection criteria and preferences as the sole program objective(s) for that round.

**C. Affirmatively Furthering the Fair Housing Act (Title VIII of the Civil Rights Act of 1968) and Other Applicable Fair Housing Laws**

It is the policy of the Department to administer the Program affirmatively as to achieve a condition in which individuals of similar income levels in the same housing market area have a like range of housing choices available to them regardless of their race, color, religion, sex, gender identity, sexual orientation, disability, familial status or national origin. Each Owner shall pursue affirmative fair housing marketing policies in soliciting tenants and outreach to underserved populations and those least likely apply to reside in completed Tax Credit units.

**D. Not-For-Profit Set Aside**

In accordance with Section 42(h)(5)(A) of the Code, each calendar year, the Department will allocate a minimum of ten percent (10%) of the City’s portion of the annual state housing credit ceiling (the “Credit Ceiling”), as defined in Section 42(h)(3), for projects owned, directly or indirectly, by qualified not-for-profit organizations, as defined under Section 42(h)(5)(C) of the Code. To qualify for this set aside, the qualified not-for-profit organization must have an ownership interest in the project, directly or indirectly, and materially participate in the development and operation of the project throughout the compliance period.

**II. FEES**

All fees are non-refundable. The fees set forth below will be assessed on all Tax Credit projects, except that the Department may, in its sole discretion, waive or reduce any fees or penalties.
imposed in connection with the Tax Credit program pursuant to its determination that such waiver or reduction is in the best economic interest of the City. In addition, there may be other fees required by the City that are not detailed in this Plan because such fees are not Tax Credit-specific fees, e.g., conduit tax-exempt bond fees, permit fees, etc. The City may adjust the amount of fees from time to time by ordinance in accordance with Section 42 and related regulations.

A. Application Fee

An application fee is due upon submission of an application in the amount of $1,500.00 in connection with for-profit projects and $750.00 in connection with not-for-profit projects. A for-profit project shall mean any project which does not qualify as a not-for-profit project.

B. Reservation Fees

For projects expecting to receive Tax Credits allocated from the Credit Ceiling, a reservation fee in an amount equal to five percent (5%) of the annual Tax Credit amount referenced in the conditional Tax Credit reservation agreement will be assessed. This fee will be due upon acceptance of the Department’s conditional Tax Credit reservation agreement for projects expecting to receive Tax Credits allocated from the Credit Ceiling.

C. Carryover Allocation Fee

For projects expecting to receive Tax Credits allocated from the Credit Ceiling, a carryover allocation fee of $250.00 is required for a project not placed-in-service in the year Tax Credits were reserved, but which meets the ten percent (10%) expenditure requirement described in Section III. H.2. This fee is due upon submission of a request for a carryover allocation of Tax Credits, or upon the closing of the financing for the project.

D. Compliance Monitoring Fee

Section 42 requires Tax Credit allocating agencies to monitor projects for compliance with the Program requirements. These requirements apply to each building in a project for which Tax Credits have been allocated. An annual monitoring fee of $25.00 per unit (non-Tax Credit units and Tax Credit units) will be charged to cover the cost of this compliance monitoring, annually, or in an aggregate amount at the time of the closing of the financing for the project.

E. Compliance Monitoring Late Fee

A penalty of $20.00 per unit (non-Tax Credit units and Tax Credit units) will be assessed for each occurrence of a late submission of compliance monitoring information.
III. TAX CREDIT RESERVATION PROCESS

A. Application Process and Funding Rounds

An application for Tax Credits shall be submitted pursuant to a competitive Tax Credit application funding round, and may be submitted for a project by the entity which shall be the owner of the property for which the Tax Credits are being sought, or by a related sponsor entity acceptable to the Department in its sole discretion (the “Owner”). Public agencies may also apply for Tax Credits in connection with a project and may designate an Owner to be determined. The conditional Tax Credit reservation agreements are not assignable without the prior consent of the Department.

The Department will review Tax Credit applications through a two-stage application process. By submitting an application to be considered by DOH, all applicants waive their right to submit a qualified contract, thus maintaining affordability for the duration of the extended-use period. The first stage of the application process is a competitive application funding round for all projects applying for an allocation of Tax Credits from the Credit Ceiling. This first stage of the application process will include a preliminary assessment of a project, including its ability to meet the mandatory selection criteria and preferences required under Section 42, Department selection preferences as outlined in this Plan and/or sub-groups of DOH objectives and criteria, if any, for an application round, its adherence to the DOH underwriting standards, and its community impact, housing need fulfillment, economic feasibility and developer capacity.

Applications for Tax Credits generated from tax-exempt bond financed projects shall be submitted pursuant to a competitive Tax Exempt Municipal Bond application funding round process. However, such projects must meet the same requirements as projects applying for Tax Credits from the Credit Ceiling. In addition, the same application is required for projects anticipating generating Tax Credits from tax-exempt bond financing as is required for projects applying for Tax Credits from the Credit Ceiling. The Department may permit, in its sole discretion, an Owner to submit an application for Tax Credits generated from tax-exempt municipal bonds without submitting the application pursuant to a competitive Tax Exempt Municipal Bond application funding round process as a result of special conditions that necessitate consideration outside of a competitive funding round.

In deciding whether an application is eligible to be accepted for consideration outside of a funding round, the Department will consider:

(1) Projects that request Tax Credits from tax-exempt bonds, but request no other Department financial support; and/or

(2) Projects that are time sensitive as a result of other government financing (for example, but not limited to FHLB, VASH, CHA RAD, Choice, etc.) that has mandatory expenditure deadlines that would prohibit delaying of financing for a funding round; and/or
(3) Preservation projects that are time sensitive as a result of an immediate loss of affordable housing due to a sale, closure or as a result of dangerous and hazardous conditions.

In addition, the Department may permit, in its sole discretion, an Owner initially submitting an application for an allocation of Tax Credits from the Credit Ceiling for a project to subsequently revise its financing structure to include Tax Credits generated from tax-exempt bond financing instead of from the Credit Ceiling.

For all projects, the second stage of the application process will include an in-depth underwriting of a project’s financing, construction documentation, and a determination of readiness to proceed. Reservations of Tax Credits for Credit Ceiling projects are contingent on several factors including, but not limited to, the acceptability of the application and its supporting documentation. If a project is approved to receive a reservation of the Department’s allocated credits, the Department may reserve those Tax Credits from its current calendar year’s Credit Ceiling or a future year’s Credit Ceiling at its discretion. If Tax Credits are returned to the Department, the Department may allocate Tax Credits to the same project without the project going through another competitive application funding round. The Department may open competitive application funding rounds that may be limited to one or more of its housing preference categories at its discretion.

1. **Stage One Multifamily Application Submissions**

An Owner must submit to the Department an application for Tax Credits on the form provided by the Department (the “Stage One Multifamily Submissions”). Individual applications are to be completed for each project. Separate applications are not required for each building comprising part of a project. The application will request information, including, but not limited to, the parameters of the project, the context and impact of the project on the surrounding community including its relationship to plans for redevelopment of the community and investments planned or under way by others, quality of design, leveraging of city resources, the capacity of the development team, and the economic feasibility of the project. The Department staff will review all applications for completeness, project eligibility, and compliance with selection criteria and preferences. The projects that best meet the selection criteria and preferences defined in Section III.E. will be invited to proceed to stage two of the Tax Credit application process (the “Stage Two Multifamily Submissions”).

The Department may issue the invitation to complete Stage Two Multifamily Submissions to applicants requesting Tax Credits up to or greater than 100% of the City’s portion of the current calendar year’s Credit Ceiling. The reservation of Tax Credits is based on the successful completion of Stage Two Multifamily Submissions, on a mutually agreed-upon schedule.

2. **Stage Two Multifamily Application Submissions**

During the Stage Two Multifamily Submissions, the Owner will provide architectural drawings and specifications and detailed documentation regarding the proposed construction of the project, development team information, development and operating costs, financing commitments, Tax Credit eligibility and calculation, and the development time schedule. Upon review and approval
of this documentation, the Department will prepare a conditional Tax Credit reservation agreement. An Owner who is unable to complete the Stage Two Multifamily Submissions and documentation based on a mutually agreed-upon schedule may not receive a conditional Tax Credit reservation agreement. An owner who is unable to complete the Stage Two Multifamily Submissions by the opening date of the next competitive allocation round will not receive a Tax Credit reservation agreement.
<table>
<thead>
<tr>
<th>Description</th>
<th>Stage 1</th>
<th>Stage 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project description, address, evidence of site control in the name of the Owner or a realistic plan to obtain site control that includes a description of steps to be taken and a time frame to gain site control, plans for provision of off-street parking, unit mix, projected building rents, preliminary operating expense budget and explanation of how the project meets the housing needs in the City.</td>
<td>X</td>
<td>Final</td>
</tr>
<tr>
<td>Description of the project’s conformance with Section 42 mandatory selection criteria and Department selection preferences as outlined in this Plan (<a href="https://www.surveygizmo.com/s3/4713308/CoCPreApplication">see Sec. III.E, herein below</a>), and/or sub-group of objectives and criteria for the specific application round as announced and published by the Department in connection with the application funding round</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Projects proposing to provide supportive housing for specialized populations experiencing homelessness, such as Veterans, seniors, survivors of domestic violence, transition-aged youth, and households experiencing chronic homelessness will submit to the Housing Expansion Pre-Application Process (<a href="https://www.surveygizmo.com/s3/4713308/CoCPreApplication">https://www.surveygizmo.com/s3/4713308/CoCPreApplication</a>) and seek a Letter of Consistency from the Chicago Continuum of Care Housing Expansion Coordination Committee. This process seeks to determine a project’s commitment to taking referrals through Coordinated Entry, have partnerships that address population needs, and align with Housing First standards.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Projects agree to a Permanent Supportive Housing set aside of no less than 10% of the total units being developed. The developer needs a service agreement with a social service provider, a funded source of rental subsidies (HUD CoC, PBV's, LIHTF, Flexible Housing Pool, HUD 811, etc.), along with a Letter of Consistency from the CoC Housing Expansion Coordination Committee.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description of the project’s conformance with local community redevelopment efforts, and relationship to investments by others, including the City; use of existing housing as part of a community revitalization plan; impact on the community; evidence of community input and a map of the surrounding area showing redevelopment activity and public and commercial uses which would serve the project.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>A 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</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
A. Description of the construction or rehabilitation, including the historic nature of building(s) to be rehabilitated, scope of work and cost information, including sources and uses of funds. Provide a separate energy conservation budget detailing these upgrades, such as green roof, geothermal system, and solar items.

B. Application Forms and Documentation

All applications must consist of a fully completed, executed original application and two (2) copies of all the related supporting documentation as set forth for each application stage on the below chart. Furthermore and new for 2019, include one (1) complete electronic copy on a flash drive in the original application. Please see the Department’s web site www.cityofchicago.org/DOH for the application and application instructions. Any application, and related supporting documentation, deemed incomplete at the time of the funding round submission deadline, at the sole discretion of the Department, will be returned to the applicant.
C. Owner Responsibility

1. It is imperative that the Owner submit identical budgetary information on applications to all funding sources including lenders, syndicators and the Department.

2. The Owner must advise all funding sources, including the Department, in a timely fashion as to cost or budget changes. Delay in the Department's receipt of information may cause delay or denial of a Tax Credit reservation.

3. An application for Tax Credits is not a guarantee of receiving Tax Credits. Owners should not attempt to syndicate Tax Credits without Tax Credit reservation and subsequent allocation.

D. Minimum Low-Income Set Aside Requirement

In order to be a qualified low-income housing project under Section 42(g), an Owner must elect one of three minimum set aside formulas:

1. At least twenty percent (20%) of the project units must be both rent-restricted and occupied by tenants with a total annual household income of not more than fifty percent (50%) of the area median gross income adjusted for family size, or.

2. At least forty percent (40%) of the project units must be both rent-restricted and occupied by tenants with a total annual household income of not more than sixty percent (60%) of the area median gross income adjusted for family size, or.

3. Income Averaging allows a property to serve households up to 80% AMI, as long as at least forty percent (40%) of the project units are rent and income restricted and the average income limit for all tax credit units in the project is at or below 60% AMI.

Designated income/rent levels may only be set at 10% increments beginning at 20% of AMI. Allowable income/rent designation levels are 20%, 30%, 40%, 50%, 60%, or 80% of AMI. The Department reserves the right to limit the number of AMI designations per property.

A minimum low-income election, once made, shall be irrevocable. An Owner may elect to address even lower income populations, or to set aside a greater percentage of units, or both. Developments serving the lowest income tenants will be given preference for Tax Credits.

E. Selection Criteria and Preferences for the Stage One Application Process

The Department has developed the following selection criteria and preferences for use in
determining priority among the projects considered in connection with the Stage One Multifamily Submissions.

Each application will be reviewed based upon the selection criteria and preferences listed below. Priority in selection of projects will be given to those which best meet the priorities, goals and selection criteria outlined below.

1. **Section 42(m) Mandatory Housing Preferences**

In accordance with Section 42(m), projects containing one or more of the following criteria shall be given preference for selection for Tax Credits:

   a) serve the lowest income tenants (very-low-income households whose incomes are at or below 30% of area median gross income adjusted for family size);

   b) are obligated to serve qualified tenants for the longest periods beyond the minimum thirty (30) year requirement; and

   c) are located in a qualified census tract the development of which contributes to a concerted community revitalization plan.

2. **Section 42 Mandatory Selection Criteria**

In selecting projects to receive allocations of Tax Credits, in accordance with Section 42(m), the Department shall consider the following mandatory selection criteria, as it relates to each application and related project proposal:

   a) project location;

   b) housing needs characteristics;

   c) project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan;

   d) sponsor characteristics;

   e) tenant populations with special housing needs;

   f) public housing waiting lists;

   g) households with children;

   h) projects intended for eventual tenant ownership;

   i) the energy efficiency of the project; and

   j) the historic nature of the project.

3. **DOH Primary Selection Criteria**

In addition to the Projects that otherwise meet Section 42(m) mandatory selection criteria, successful applicants will receive a conditional Tax Credit reservation based on the determination
that the undertaking is compatible with the goals and priorities of the Department.

In this regard, the Department will evaluate each application and related project proposal in accordance with the following Departmental criteria:

- The primary selection criteria for Opportunity Areas, Redevelopment Areas and Transition areas are summarized and grouped as a Priority Tract. Each tract is distinct. The Department values the equitable distribution of affordable housing across geography and market type.

- Projects are encouraged to submit applications based on the priority selection criteria as defined in Priority Tracts 1, 2, and 3.

- Projects are encouraged to address all preferences described in the Priority Tract to the greatest extent possible. Projects addressing all the preferences take precedent over applications that do not address all of the preferences.

- Final decisions on any tie-breaker will be determined by the number of units with lowest incomes being served and the longest terms for affordability, up to and including permanent affordability.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Description</th>
<th>Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority Tract I</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Opportunity Areas.</strong> Priority will be given to projects which provide housing units in high income / high cost, opportunity areas</td>
<td><strong>Opportunity Areas</strong> are 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. The Department will evaluate the applicant’s evidence and third party verifiable data to determine if the project qualifies as a project in an Opportunity Area.</td>
<td><strong>Additional priority will be given to projects which include long-term affordability in the form of CHA units, HAP contracts or PBV’s</strong></td>
</tr>
<tr>
<td><strong>Preservation of Existing Buildings.</strong> Priority will be given to projects which provide for the preservation of existing housing stock, including through rehabilitation and adaptive re-use.</td>
<td>This criteria does not encompass the recapitalization of existing affordable housing projects. This selection criteria specifically encourages projects that include the use and rehabilitation of existing buildings, to help alleviate the negative impact that vacant and/or deteriorated buildings can have on neighborhoods, and also to encourage projects that reflect the architectural character of the surrounding community.</td>
<td><strong>Priority will be given to projects that are landmarked, historic and/or at risk of demolition</strong></td>
</tr>
</tbody>
</table>
**Very low income units**, housing units for tenant populations with special housing needs, including accessible units, SRO units, permanent supportive housing, re-entry housing and units for Homeless individuals and/or families

Priority will be given to projects which provide units for the lowest income tenants, pursuant to the Sec. 42(m) mandatory selection criteria (very low-income households whose household incomes, adjusted for family size, are at or below 30% of the area median income).

Projects proposing 10% or more of units in the project to be designated for very low-income households along with a committed source of rental subsidy or underwritten so it can operate at rents affordable to the tenants.

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<thead>
<tr>
<th>Project Type</th>
<th>Description</th>
<th>Preference</th>
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</thead>
<tbody>
<tr>
<td><strong>Priority Tract II</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Redevelopment Areas.</strong></td>
<td>Priority will be given to projects in existing Redevelopment Areas, which “contribute to a concerted community revitalization plan” (Sec. 42(m)) for the improvement of a low-mod area, and leverage existing revitalization efforts.</td>
<td>Additional priority will be given to projects which include long-term affordability in the form of CHA units, HAP contracts or PBV’s and/or other forms of rental subsidy providing for long-term affordability. Additional preference will also be given to projects which include a viable plan and provision for engaging a significant portion of project vendors, suppliers, subcontractors and workers that are generally located within the same redevelopment community area.</td>
</tr>
<tr>
<td><strong>Mixed use projects.</strong></td>
<td>Priority will be given to mixed-use projects which provide housing as well as first floor retail/commercial to provide needed neighborhood amenities.</td>
<td>Additional priority will be provided to projects that have a viable plan and/or committed partner to assist with occupying the space within 6 months of completion.</td>
</tr>
<tr>
<td><strong>Income Diversity.</strong></td>
<td>Priority will be given to mixed-income, projects which provide housing units for households across a wide range of household incomes, from 0-30% AMI up to and including market rate units.</td>
<td>Projects proposing 10% or more of units in the project to be designated for very low-income households along with a committed source of rental subsidy or underwritten so it can operate at rents affordable to the tenants.</td>
</tr>
</tbody>
</table>
### Project Type

<table>
<thead>
<tr>
<th>Priority Tract III</th>
<th>Description</th>
<th>Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transitioning Areas.</strong> Priority will be given to projects located in areas undergoing rapid economic and demographic change, and the resulting loss of affordable housing units stock.</td>
<td>Transitioning areas are 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. The Department will evaluate the applicant’s evidence and data to determine if the project qualifies as a project in a Transitioning area.</td>
<td>Additional priority will be given to projects which include long-term affordability in the form of CHA units, HAP contracts or PBVs and/or other forms of rental subsidy providing long-term affordability. Additional preference will also be given to projects which include a viable plan and provision for engaging a significant portion of project vendors, suppliers, subcontractors and workers that are generally located within the same transitioning community area.</td>
</tr>
<tr>
<td><strong>Long-term Affordability.</strong></td>
<td>Priority will be given to projects which provide units that are obligated to serve qualified tenants for the longest periods beyond the minimum thirty (30) year requirement. Section 42(m) Mandatory Selection Criteria</td>
<td>Preference for preserving the affordability in NOAH, or currently unsubsidized properties, that are being rented affordably in their respective market. Additional preference for Permanent Affordability.</td>
</tr>
<tr>
<td><strong>Very low income units</strong>, housing units for tenant populations with special housing needs, including accessible units, SRO units, permanent supportive housing, re-entry housing and units for Homeless individuals and/or families</td>
<td>Section 42(m) Mandatory Selection Criteria</td>
<td>Projects proposing 10% or more of units in the project to be designated for very low-income households along with a committed source of rental subsidy or underwritten so it can operate at rents affordable to the tenants.</td>
</tr>
</tbody>
</table>

### 4. Project Set Asides and Permanent Supportive Housing:

The Department of Housing, in its commitment to provide housing for vulnerable populations, is collaborating with the Chicago Continuum of Care (CoC) to address the city’s unit creation goals in addressing homelessness. The Chicago CoC has adopted a pre-review process to evaluate how new projects align with the population, model, and service design standards that address community priorities and best practices. DOH acknowledges that some supportive housing sponsors may seek to serve non-homeless populations, but is looking for opportunities in each project to address this segment of Chicagoans. For more information on the demographics and state of homelessness within the Chicago CoC please visit the [Dashboard to End Homelessness](#) on
the All Chicago website, [https://allchicago.org/dashboard-to-end-homelessness](https://allchicago.org/dashboard-to-end-homelessness).

Projects proposing to provide supportive housing for specialized populations experiencing homelessness, such as Veterans, seniors, survivors of domestic violence, transition-aged youth, and households experiencing chronic homelessness will submit to the Housing Expansion Pre-Application Process ([https://www.surveygizmo.com/s3/4713308/CoCPreApplication](https://www.surveygizmo.com/s3/4713308/CoCPreApplication)) and seek a Letter of Consistency from the Chicago Continuum of Care Housing Expansion Coordination Committee. This process seeks to determine a project’s commitment to taking referrals through Coordinated Entry, have partnerships that address population needs, and align with Housing First standards.

Projects agree to a Permanent Supportive Housing set aside of no less than 10% of the total units being developed. The developer needs a service agreement with a social service provider, a funded source of rental subsidies (HUD CoC, PBV's, LIHTF, Flexible Housing Pool, HUD 811, etc.), along with a Letter of Consistency from the CoC Housing Expansion Coordination Committee.

### 5. Other Selection Criteria

a) Development Team Experience: The development team must show its capacity for undertaking a project and have demonstrated development experience. Property management capacity and experience must also be demonstrated.

b) Owners who are affiliated with previous projects developed with Department assistance that have been or are out of compliance in a material respect, as determined in the sole discretion of the Department, with the City’s MBE/WBE and local hiring preference ordinances, Davis-Bacon Act, Section 3 of the Housing and Urban Development Act of 1968 or with the Program or with a Department loan agreement, may be deemed ineligible for further consideration.

c) Projects that are located along or near established public transit lines, stations and hubs, and those located in Transit-Served Locations (TSL), as defined in Section 17-10-0102 B as amended from time to time, of the Chicago Zoning Ordinance and under other applicable provisions of the Chicago Municipal Code.

d) Demonstrated financial viability of the project.

e) Demonstrated interest of other financing partners.

f) The anticipated investment rate for Tax Credits to raise equity. Projects with higher net syndication proceeds available for project costs per Tax Credit dollar requested will be rated more favorably. The Department reserves the right to both require and review multiple syndication proposals and other financial proposals.

g) An exterior that is compatible with surrounding structures and is an architectural enhancement to the community and green space on-site appropriate for the proposed tenancy.

h) Projects with or by a Community Housing Development Organization [CHDO]
i) An efficient use of public funds and resources

F. Tax Credit Reservation Criteria

The following criteria will be evaluated upon the completion by the Owner of the **Stage Two Multifamily Submissions**:

1. Economic Feasibility
   a) Continued demonstrated financial feasibility of the project.
   b) Final construction and projected operating costs are reasonable when compared to similar projects.
   c) Reasonable acquisition and intermediary costs.
   d) Market study that demonstrates the need for the proposed project and supports the rents as proposed.

2. Readiness to Proceed
   a) The terms and conditions of the commitment(s) should be clearly identified and required application/commitment fees should have been paid. The financing commitment(s) should be subject only to those conditions which are under control of the Owner to meet.
   b) Owners must reasonably demonstrate the ability to commence development including a reasonable likelihood to obtain funding necessary, site control and governmental approvals in a timely manner.
   c) Owners should be aware the project is expected to close prior to opening of the next competitive funding round. Projects that do not complete the Stage Two Multifamily Submissions prior to the next competitive funding round will not be awarded credits.

At the time of the Stage Two Multifamily Submissions, if a project is not anticipated to be placed-in-service in the year of the Tax Credit reservation, an Owner will be required to submit specific information on how and when the 10% expenditure requirement will be met within the applicable time period permitted for the project. This includes line items that will be expended and sources of funds to pay the expenditures. Refer to Section H.2. “Carryover Allocations” below for more information.
G. Determination of Credit Amount

1. Timing of Determination

The amount of Tax Credits reserved for a particular project will be limited to the amount the Department determines to be necessary to make the project financially feasible as a qualified low-income housing project. The financial determination and certifications are required to be made under the Program in connection with a Tax Credit project (i) when an Application is submitted (ii) at the time an allocation is made, and (iii) as of the date that the Department determines that the building(s) in a project is(are) placed in service and issuance of the IRS Form 8609(s) by the Department. The Department may determine not to award the full amount of Tax Credits for which a project is eligible. Also, the Department reserves the right to set per-project Tax Credit award limits.

2. Tax Credit Increase Requests

The Department may consider an increase of a project’s award of Tax Credits anytime after a Reservation of Tax Credits has been given to a project. Requests for Tax Credit increases may be made only to ensure that a project is financially feasible as determined solely by the Department. The Department may, in its sole discretion, grant a request for an increase in Tax Credits, subject to the submission of the following documents: narrative description of reasons for the request for additional Tax Credits, the revised project budget, a cost certification from a certified public accountant (“CPA”) which states that the CPA has reviewed the revised project budget that provides the amounts of the revised total eligible basis and total project costs, and both the initial and most current contractor and owner sworn statements. The Department may request additional items if it is deemed necessary to make the determination of whether to grant the increase in Tax Credits. If a project is approved for more credits, the Department may issue an additional Reservation Agreement and charge the standard 5% fee on the additional credits.

3. 30% DDA Boost Selection Standards

As a result of the amendments made to the Program as a result of the passage of the 2008 Act, the Department may award a Credit Ceiling project a 30% basis boost if the Department determines that a project, in order to be financially feasible, needs the increase in Tax Credits based on the following standards. Any project which is designated by the Department as requiring such an increase shall be treated as being located in a difficult development area (“DDA”), pursuant to Section 42(d)(5)(B)(v). The increase in the amount of Tax Credits will be the minimum amount of Tax Credits required to achieve financial feasibility, so may result in an amount less than the 30% increased allowed by the 2008 Act. Projects generating Tax Credits from tax-exempt bond financing and projects located in qualified census tracts are ineligible for the DDA boost.

a) Projects located in high-cost “Opportunity Areas” (see Chart in Sec. IIIE2 for definition), that would be financially infeasible because of unusually high development costs, including predevelopment costs, such as land acquisition costs and a necessity to quickly obtain site control, and/or infrastructure improvements.
b) Projects located in high-cost “Transitioning Areas” (see Chart in Sec. IIIE2 for definition), that would be financially infeasible because of unusually high development costs, including predevelopment costs, such as land acquisition costs and a necessity to quickly obtain site control, and/or infrastructure improvements.

c) **High Costs Specific Project Components** - Projects that otherwise meet Section 42(m) mandatory selection criteria and DOH preference criteria, but would be financially infeasible because of unusually high development costs, such as environmental clean-up, and/or required infrastructure improvements.

d) **Mixed-Income Housing** - Projects that otherwise meet Section 42(m) mandatory selection criteria and DOH preference criteria, but would be financially infeasible because of greater income mix, and resulting lower eligible basis for Tax Credit allocation purposes, not offset by rents and cash-flow generated from higher-income units and/or other project revenues.

e) **Very-Low-Income Populations** – Projects that otherwise meet Section 42(m) mandatory selection criteria and DOH preference criteria, that need the boost to be financially feasible in order to target rents to very-low-income populations in order to off-set the cost of developments.

f) **“Green Building” Amenities** – Projects that otherwise meet Section 42(m) mandatory selection criteria and DOH preference criteria, and need the boost to afford “green building” amenities that exceed the Department’s Sustainable Development Policy program requirements in connection with environmental concerns.

g) **In Lieu of Other Financing** – Projects that otherwise meet Section 42(m) mandatory selection criteria and DOH preference criteria, and the Department determines (in its sole discretion) it is in the City’s best interest to apply the boost to in order to allocate additional Tax Credits in lieu of other City financing sources, thereby maximizing the efficient use of public resources.

**H. Issuance of Tax Credit Reservations and Carryover Allocations**

1. **Approval of Tax Credit Reservation**

a) Following the final underwriting of each project, the Department staff will make a recommendation to the Department’s internal loan committee (the “**Internal Loan Committee**”). Upon favorable action by the Internal Loan Committee, a conditional Tax Credit reservation agreement, conditioned on continued compliance with applicable requirements, will be sent to the Owner. The Department may reserve Tax Credits for a project from either its current calendar year’s Credit Ceiling or from a future year’s Credit Ceiling at its discretion. The conditional Tax Credit reservation
agreement shall be deemed to be a legally binding commitment to allocate Tax Credits. The conditional Tax Credit reservation agreement must be signed and returned with the required fee by the deadline specified in the agreement or upon closing of the transaction.

b) As provided for in the 2008 Act, in the case of new construction and substantially rehabilitated buildings that are not federally subsidized (those which are not financed with tax-exempt bonds), which are placed-in-service after July 30, 2008 and before December 31, 2013, the applicable percentage (the “Tax Credit Rate”) shall not be less than nine percent (9%). The American Taxpayer Relief Act of 2012, Public Law 112-240, extended the fixed 9% rate to low income housing tax credit allocations made prior to January 1, 2014. The Tax Increase Prevention Act of 2014, Public Law 113-295 extended the 9% fixed rate to allocations made prior to January 1, 2015. The Protecting Americans From Tax Hikes (PATH) Act of 2015, within the Consolidated Appropriations Act of 2016, Public Law 114-113, permanently extended the fixed 9% rate to low income housing tax credit allocations. With respect to projects that qualify for acquisition credits, the Owner may elect the Tax Credit Rate in effect during either (i) the month in which the Reservation Agreement is issued by the Department or (ii) the month during which the building is placed-in-service.

c) Tax Credits will not be reserved, or if reserved, will not be allocated to Owners who have unsatisfactory prior performance record developing multi-family affordable housing with the Department, other City agencies or departments, the Cook County Collector’s Office, the State of Illinois (the “State”) or federal agencies. However, if Owners have documentation satisfactory to the Department showing that they made the effort necessary to rectify their performance record, and providing that they are simply waiting for a determination of compliance, such Owners may be eligible to receive a reservation and/or allocation of Tax Credits. In such circumstances, if a final determination of non-compliance is issued to an Owner prior to Tax Credits being reserved or allocated to such Owner, such Owner will not be eligible to receive a reservation or allocation of Tax Credits until such Owner shall have rectified such non-compliance to the satisfaction of the Department.

d) Tax Credits will not be reserved, or if reserved, may not be allocated to Owners who are associated with the ownership and/or management of properties that exhibit unresolved financial and/or management problems or are out of compliance, in a material respect, with Section 42 of the Code.

2. Carryover Allocations

a) If a project which received a Tax Credit reservation during a given calendar year will not be placed-in-service in that year, the Department will consider an Owner's request to make a carryover allocation of the reserved Tax Credits provided that the Owner submits a request for such carryover allocation in the time period prescribed by the Department. If the Department grants a request for a carryover allocation, the Department will allocate Tax Credits to the project by executing a carryover allocation
agreement (the “Carryover Allocation Agreement”), provided that the project meets specific requirements. However, the Department is under no obligation to grant a request for a carryover allocation and reserves the right to deny such a request. The carryover allocation requirements include, but are not limited to, the following:

i) the expenditure by the owner of more than ten percent (10%) of the reasonably expected project basis by no later than 12 months after the carryover allocation is made.

ii) placement of the project in service by the end of the carryover period (December 31st of the second year after the execution of the Carryover Allocation Agreement).

b) The owner must provide verification that the owner has incurred eligible expenses totaling more than 10% of the reasonably expected basis. This verification must be made by obtaining a certification as to the expenditures from the Owner’s attorney or accountant.

3. Status Reporting

All Owners receiving Tax Credits must forward, in a timely fashion, documents and other information requested by the Department. The receipt of all information is a condition to the final allocation of the Tax Credits and the issuance of IRS Form(s) 8609.

4. Revocation of Tax Credit Reservations or Cancellation of Carryover Allocation Agreements

Any project which does not show significant progress towards completion of the project to the Department’s satisfaction, or any project which is out of compliance with federal, State or local laws or Department reporting requirements or ceases to qualify for the not-for-profit set aside, if applicable, or fails to continue to meet Tax Credit criteria, may forfeit its Tax Credit reservation. Failure to comply with carryover allocation requirements may result in the allocation being deemed void and a non-compliance notice via the IRS Form 8823, “Low-Income Housing Credit Agencies, Report of Non-Compliance,” (“IRS Form 8823”) will be sent by the Department to the IRS.

IV. TAX CREDIT ALLOCATION

The Department will make a Tax Credit allocation to a project as of the date that the Carryover Allocation Agreement is executed by the Owner and the Department or at the time a project is placed-in-service via IRS Form(s) 8609. Regardless of when the Tax Credits are allocated, the Owner must provide written notification to the Department upon the project being placed-in-service.

After the project has been placed-in-service and the Owner provides the Department with requested documentation, the Department may issue IRS Form(s) 8609. Prior to issuance of this
form, the Owner shall be required to provide certain documentation (as may be supplemented or changed by the Department), including, but not limited to:

1. CPA Cost Certification (including any and all attachments)
2. Owner Certification
3. Managing General Partner & Equity Partner Contact Information
4. Architect’s Certificate of Substantial Completion
5. Certificate of Occupancy
6. Recorded Regulatory Agreement
7. Evidence of Occupancy (Rent Roll)
8. Executed Carryover Allocation Agreement or Tax-Exempt Bond Agreement
9. Executed Reservation Agreement (if applicable)
10. Executed Election Form (if applicable).

As required under Section 42(h)(6), each Owner must enter into an extended use agreement (the “Regulatory Agreement”) with the City requiring that the project will comply with the requirements of Section 42, including but not limited to, the income and occupancy restrictions. The Regulatory Agreement must be recorded in the Office of the Cook County Recorder of Deeds as a restrictive covenant on the real estate on which the Project is located.

Within 30 days after the Owner files a completed IRS Form 8609 with the IRS, the Owner is required to submit the form to the Department’s Compliance Monitoring division.

V. TAX CREDITS OBTAINED WITH TAX-EXEMPT BOND FINANCING

Pursuant to Section 42(h)(4), projects to be financed with tax-exempt bond financing are not required to receive a Tax Credit reservation from the City’s Credit Ceiling nor do they enter into Carryover Allocation Agreements. An Owner must submit an application and request a determination from the Department that such project satisfies the requirements for an allocation of Tax Credits pursuant to Section 42(m)(1)(D). The following requirements will apply:

1. Prior to the issuance of the bonds, the Department must review the application to determine that:
   a) the project satisfies the requirements of this Plan,
   b) the project satisfies the Department’s underwriting standards including project cost and fee standards, and
   c) the amount of credits does not exceed that which is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project.

2. An Owner of a tax-exempt bond project will be required to execute an agreement with the City in connection with the allocation of the Tax Credits generated by the tax-exempt financing and a Regulatory Agreement.
3. An Owner of a tax-exempt bond project may elect the Tax Credit Rate in effect during either (i) the month in which the tax-exempt bonds were issued or (ii) the month in which such project is placed-in-service.

VI. COMPLIANCE MONITORING REQUIREMENTS

All projects receiving Tax Credits must be monitored for compliance with Section 42 of the Code. Income and occupancy restrictions will be monitored for a total of thirty (30) years including the initial compliance period and the extended use period. Under Section 42 regulations, the Department may retain an agent or private contractor to perform compliance monitoring. In addition, the Department may delegate all or some of its compliance monitoring responsibilities to another Tax Credit allocating agency within the State. Upon written notification by the Owner that a project has been placed-in-service, active monitoring for compliance with Section 42 will commence. The Owners are advised that compliance with the general public use requirement for Tax Credit projects requires compliance with the Fair Housing Act. An Owner’s failure to comply with the Fair Housing Act will constitute non-compliance with the general public use requirement, and the Department will report such non-compliance via an IRS Form 8823. Section 42 regulations promulgated by the IRS require the Department to undertake four levels of monitoring:

1. Record-Keeping/Record Retention;
2. Certification;
3. Inspection; and

Failure by the Owner to provide the necessary information, documents and/or access to the project for inspection can and will be construed as non-compliance. Any acts of non-compliance must be reported to the IRS via an IRS Form 8823.

A. Record-Keeping/Record Retention

The monitoring provisions require that the following information be collected and maintained on an annual basis, for each year in each building during a project’s compliance period and extended use period by the Owner of a Tax Credit project. This information must be maintained for at least six (6) years after the due date, with extensions, for filing the federal income tax return for that year. The first year’s records must be retained for at least six (6) years after the due date, with extensions, for filing the federal income tax return for the last year of the full compliance period. The total period of time is twenty-one (21) years for Tax Credit years prior to 1990 and at least thirty-six (36) years for Tax Credits issued after 1990, with a Regulatory Agreement. Each project’s Regulatory Agreement will state the total number of years required to keep the documentation for the Tax Credit project.

The Owner is required to keep records for each building in the project documenting the following:
1. Tenant files which contain basic documents such as rental applications, annual tenant income certifications, income verifications, utility allowances, and signed leases and addenda for qualified low-income units.

2. Documentation supporting each income certification submitted by a tenant in a qualified low income unit. For example, a copy of the tenant’s federal income tax return, form W-2 or verification of income from third parties such as employers or State agencies paying unemployment compensation or assistance, if a tenant is receiving housing assistance payments under Section 8, the public housing authority can provide a statement to the Owner, declaring that the tenant’s income does not exceed the application income limit under Section 42(g).

3. Monthly unit listings (rent rolls) which contain the following information: Unit number, number of bedrooms, tenant name, floor space of unit (square feet), move in date, move-out date, number of household members, gross rent including any utility allowances, such as heat, electric and cooking gas, tenant rent portion, subsidized portion, and unit status (LIHTC or unrestricted unit).

4. The percentage of residential rental units in the building that is qualified as low-income units under the provisions of Section 42.

5. For projects placed-in-service prior to 1990, the number of occupants in each qualified low-income unit if the rent is determined by the number of occupants in each unit under Section 42(g) (2).

6. For mixed-income projects, the qualified low-income unit vacancies in the building and information that shows when, whom, the next available market or qualified low-income units were rented.

7. All tenant selection documents, which are all to be available to the City or its representatives for periodic inspection. These include, but are not limited to, income verification, employment verification, credit reports, and low-income computation forms.

8. The eligible basis and qualified basis of each tax credit building for the first year of the credit period.

9. The character and use of any non-residential space, such as tenant facilities, that is included in the eligible basis.

10. Tenant facilities included in the eligible basis which are available to all tenants.

11. Documents on any legal or administrative action initiated by either lower-income families, City department or private corporations, such as building code violations, violations against the Fair Housing Code, foreclosures, etc.

12. The Department completes IRS Form 8609(s). The project owner should keep a copy of
the IRS Form 8609(s) in case of an IRS audit.

B. Certification Process

All Owners of qualified low-income projects receiving an allocation of Tax Credits will receive the following documents from the Department to assist them in the monitoring process: record-keeping requirements, Annual Owner’s Certification, and Tenant Profile Form and Tenant Certification Form.

1. Record-Keeping Requirements

The Department’s record-keeping requirement package provides, in a concise form, the specific record-keeping information to be maintained by the Owner. It also suggests a format for the Owner to follow in order to comply with the monitoring regulations.

2. Annual Owner’s Certification

All Owners receiving an allocation of Tax Credits must submit the “Annual Owner’s Certification” document by October 1st of each year, for the term of the compliance period and extended use period, verifying that the project conforms with the low-income provisions, as defined in Section 42, in addition to certifying to (i) through (xii) below. A copy of the most recent audited financial statements and copies of any City building inspection report are required with each annual certification. The last certification must be submitted after the end of the compliance period. Failure to provide this document will constitute an act of non-compliance.

(i) The project met the requirements of:

(A) The 20–50 test under Section 42(g)(1)(A), the 40–60 test under Section 42(g)(1)(B), whichever minimum set aside test was applicable to the project; and

(B) If applicable to the project, the 15–40 test under Sections 42(g)(4) and 142(d)(4)(B) for “deep rent skewed” projects;

(ii) There was no change in the applicable fraction (as defined in Section 42(c)(1)(B)) of any building in the project, or that there was a change, and a description of the change;

(iii) The owner has received an annual income certification from each low-income tenant, and documentation to support that certification; or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from a public housing authority described in paragraph (b)(1)(vii) of this section. For an exception to this requirement, see Section 42(g)(8)(B) (which provides a special rule for a 100 percent low-income building);
(iv) Each low-income unit in the project was rent-restricted under Section 42(g)(2);

(v) All units in the project were for use by the general public (as defined in § 1.42–9);

(vi) The buildings and low-income units in the project were suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the State or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project;

(vii) There was no change in the eligible basis (as defined in Section 42(d)) of any building in the project, or if there was a change, the nature of the change (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge);

(viii) All tenant facilities included in the eligible basis under Section 42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all tenants in the building;

(ix) If a low-income unit in the project became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;

(x) If the income of tenants of a low-income unit in the building increased above the limit allowed in Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the building was or will be rented to tenants not having a qualifying income;

(xi) An extended low-income housing commitment, the City’s “Tax Credit Regulatory Agreement”, as described in Section 42(h)(6) was in effect for buildings subject to Section 7108(c)(1) of the Omnibus Budget Reconciliation Act of 1989, 103 Stat. 2106, 2308–2311), including the requirement under Section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f (for buildings subject to Section 13142(b)(4) of the Omnibus Budget Reconciliation Act of 1993, 107 Stat. 312, 438–439); and

(xii) All low-income units in the project were used on a non-transient basis (except for transitional housing for the homeless provided under Section 42(i)(3)(B)(iii) or single-room-occupancy units rented on a month-by-month basis under Section 42(i)(3)(B)(iv)).

3. **Tenant Profile Form and Tenant Certification Form**

The Owner is required to provide to each tenant who occupies a qualified low-income unit a Tenant Profile Form and Tenant Income Certification Form to complete and sign.
It is the responsibility of the Owner to provide these forms to each tenant who occupies a qualified low-income unit, at the time of occupancy and annually, upon recertification, if required, thereafter. In addition, the forms are required for any new tenant replacing a previous tenant in a qualified low-income unit. These forms must be completed, signed by the tenant and placed in the Owner’s file. The Owner is responsible for reviewing all forms for completeness and correctness. Failure to provide this document will constitute an act of non-compliance.

C. Inspection

Pursuant to the applicable provisions of Section 42, as well as applicable final and temporary Treasury Regulations (Sec. 1.42-5T which is set to expire on February 22, 2019), the Department shall conduct on-site inspections of all buildings the low-income housing project and shall review tenant income certifications for the low-income housing project:

1. By the end of the second calendar year following the year the last buildings in the low-income project is placed in service; and

2. At least once every three (3) years thereafter during the compliance period, and once every five (5) years during the extended use period.

3. The Department shall conduct on-site inspections and tenant income certification review of not fewer than the minimum number of low-income units for the corresponding number of low-income units in the low-income housing project set forth in the table to Section 1.42-5 (c) (2) (iii) of the Treasury Regulations (see below). In no event shall the number of the low-income units inspected by the Department be less than the minimum number required under Section 42 and the applicable Treasury Regulations.
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<tr>
<th>Number of low-income units in the low-income housing project</th>
<th>Number of low-income units selected for inspection or for low-income certification review (minimum unit sample size)</th>
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<td>450-1,461</td>
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<td>1,462-9,999</td>
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</table>

4. Units subject to inspection will be identified through a random selection process, based on all project units currently subject to monitoring.
D. Notification

The Department will provide written notification by regular mail to the Owner and/or Property Manager at least fourteen (14) days prior to:

1. The date of impending physical inspection of the project

2. The date of pending inspection of tenant files and the Annual Owner’s Certification supporting documentation retained by the Owner/Manager for qualified low-income units under the Program;

The Department will provide prompt notification to the Owner and/or Property Manager by regular mail:

1. upon failure of the Owner and/or Property Manager to submit the Annual Owner’s Certification, supporting documentation, rent records, or other information retained by the Owner / Property Manager for qualified low-income units under the Program;

2. upon failure by the Owner to permit the City to inspect the project; or

3. upon discovery by inspection or review that the project is not in compliance with the provisions of Section 42.

An Owner will be given an opportunity to cure an occurrence of non-compliance (“Corrective Action Period”). The Corrective Action Period will not exceed ninety (90) days from the date that the written notification was sent by the Department. The Department is required to file IRS Form 8823 with the IRS no later than forty-five (45) days after the end of the correction period. This filing is required regardless of whether the non-compliance was satisfactorily cured. The form must explain the nature of the non-compliance and indicate whether the Owner has corrected the non-compliance.

E. Liability

Compliance with the requirements of the Program is the responsibility of the Owner of the project allocated Tax Credits. The Department’s obligation to monitor for compliance with the requirements of Section 42 does not make the Department liable for an Owner’s non-compliance.
VII. OTHER CONDITIONS

A. The review of documents submitted to the Department is only for the purpose of determining eligibility for Tax Credits. The allocation of any Tax Credits does not constitute a determination or representation by the Department that the particular project complies with applicable requirements of the Code and the treasury regulations there under, or with any other laws or regulations governing Tax Credits.

B. The Department reserves the right to reject applications and disqualify projects based on non-compliance with any federal law, State law, local law or the submission of false or misleading information.

C. No agent or employee of the City will be personally liable concerning any matters in relation to the Tax Credit reservation, Tax Credits allocation or for monitoring for compliance with the Program.

[The Remainder of this Page Intentionally Left Blank.]
This Low-Income Housing Tax Credit Qualified Allocation Plan will be in full force and effect upon signature of the Chief Executive Officer of the City of Chicago.

The above-referenced Low-Income Housing Tax Credit Qualified Allocation Plan has been approved and executed as of this [4] day of [September], 2019.

By: [Signature]
Lois Lightfoot
Mayor

By: [Signature]
Marisa Novara
Commissioner,
Department of Housing