

Response and consideration of the Public Comments

Changes made to the final 2023 QAP		
Suggestion	Response	Section
Broaden references to VAWA to include VAWA Reauthorization Act of 2022 and encourage developers to prioritize survivors of gender-based violence (both on waitlists and survivors in need of a VAWA emergency transfer) when describing tenant selection plans.	Updated to include compliance with most current VAWA requirements as of 2022. Priority populations for PSH were determined for the HOME-ARP planning process in coordination with DFSS.	QAP Appendix: Tenant Selection Plan Section B6:7-9 and pg. 40, 51, 54
Include survivors of gender-based violence as a preference population, including in the marginalized residents section.	Updated	Pg. 28
Include guidelines for housing providers on how to best comply with VAWA.	DOH will also provide a VAWA toolkit resource to all selected 2023 QAP applicants.	Pg. 13, 40, 54
Include mention of those whose names do not appear on the lease in the living 'doubled up' definition.	Clarified	Appendix A1
Link emphasis on mixed-use projects with commercial spaces to focus on BIPOC business development and equity building by prioritizing mixed-use projects that provide affordable commercial space for BIPOC-owned businesses. Set aside the costs of commercial spaces to avoid disadvantaging mixed-use projects relative to housing-only projects.	Updated the redevelopment tract to include preferences for affordable commercial space and leasing opportunities for local and BIPOC-owned businesses.	Section 3: Priority Tract 2
DOH should partner with CTA and Divvy to offer specific sources of subsidy. To mitigate the conflict between tight operating budgets and transit subsidies, there be an option for developments to include a reserve in the development budget for the three-year transit subsidy expense. Additionally, the City should allow a property-provided bicycle program for residents to qualify for this preference in lieu of a transit subsidy.	These are preferences in QAP. Developers are encouraged to provide DOH with all recommendations related to the preference and strategic initiatives as part of their application. Added: In addition to transit subsidy, DOH will consider proposals with well thought out bike programs and long-term bicycle maintenance plans in order to provide tenants and owners with more options.	Section 3E: Strategic Initiatives
In response to broadband service access, the only feasible way to do this is to add this to the operating budget. This will reduce the permanent debt the project is able to carry and lead to an increase in need for soft funds -- will the city make additional soft funds available in order to accommodate the reduction in debt capacity of the project?	Development proposals that include a plan for the provision of additional resources and services at no or reduced cost to tenants will be given preference. These additional provisions must be accounted for in the operating budget and detailed with a narrative explanation to allow the City to assess how to appropriately size its financial support.	Section 3G: Strategic Initiatives
18 th & Peoria: support the development of 100% affordable housing, family sized at 30% AMI or lower, include set asides for homeownership cooperatives, no market-rate, no townhomes.	This is the first time we have combined a public process and framework plan into the QAP. Many points of view were conveyed by community participants throughout the process. The City's consultant is readying a final report that includes that feedback, financial feasibility, zoning and massing for use by applicants to this funding round. The final report is expected by Mid-April and can be found at this link: 18th and Peoria Development Framework Plan	Section 3 Priority Tract 3 and Section 3.F - Coordination community revitalization plans
Include clearer language that states that landlords cannot deny applicants based on a criminal background check without an individualized assessment. Applicants with a conviction history should get the individualized assessment before denial, not only when an appeal is requested.	Clarified	Pg. 51-52
Explain Developer Fee and Cap, increase fee or remove cap altogether and increase deferred developer fee formula on 4% LIHTC deals.	DOH raised its developer fee in 2019 commensurate with similar municipalities. Additional review of developer fee indicated that the City remained on par with other cities around the country. New: DOH now allows a portion of financial consultant fees to be paid from capital stack instead of coming from the developer fee as it had previously, providing up to a 10% increase in the realized developer fee. Developer fee calculations will be available the final application instructions.	Page 23 Section 3.C
Fully identify and commit funding sources for rental subsidies and service subsidies to support PSH units.	DOH will provide further guidance on proposed sources of operating and supportive service funding for service-enriched housing and permanent supportive housing and will work with selected finalists on identifying appropriate sources of funding for operating and supportive services.	Appendix A1, pg. 45 and pg. 21
Provide clarity on: 1) the waitlist the City intends to use to identify tenants for PSH units; 2) the program the City seeks to use to serve as case managers for the PSH tenant populations; and 3) if the 5% set-aside can or cannot overlap the preference for 10% or more units designated very low-income households.	Waitlists will be determined by funding sources for operating and service expenses. The development team is responsible for identifying a service partner to provide case management for PSH tenant population that is in line with the needs of the population to be served. DOH will provide guidance and resources on service plans. The 10% preference for ELI is under the Priority Tract 1: Opportunity Areas and this is a mandatory selection criteria that is to be considered under Section 42(m) of the Internal Revenue Code. A project cannot apply under multiple priority tracts and the 5% set-aside is required across all priority tracts. The 5% set-aside can be applied toward the 10% preference for serving ELI.	pg. 58; 17

Additional Suggestions		
Suggestion	Response	Section
The 2023 QAP should reflect both the need and opportunity for 100% affordable housing in gentrifying communities.	DOH values the equitable distribution of affordable housing across geography and market type. To achieve this goal, in recent years, the department has established a Priority Tract framework to ensure that the City's affordable housing investments respond to Chicago's varied housing needs. Areas experiencing rapid housing price increases and displacement are the focus of the transitioning priority tract in the QAP. The preferences for transitioning areas include long term affordability and a focus on low and very low income units. DOH has and will continue to support 100% affordable housing in all market types.	Sect. 3 B
All LIHTC funds - federal, state and other - should be used to build affordable housing, including equitable set-asides for family-sized housing at 30% AMI or lower, and set-asides for homeownership cooperatives.	All LIHTC funds are used to build affordable rental housing. Depending on the location and initiative these properties may include family sized units, units priced for low and very low income units and most likely will require additional sources such as federal, state and local funds. The Dept of Housing uses federal and local funds for cooperatives, including a recent program to support the acquisition of properties for the creation of a coop. Shared ownership falls outside the use of LIHTC and the QAP.	Sect. 3 B Section 3K.2D
Provide further details on how DOH will rank projects across the various preferences, priorities, and selection criteria.	DOH evaluates proposals based on their alignment with the policy objectives in the QAP. The goal is to achieve equitable outcomes and distribution of sources across priority tracts. Applications responding to priorities and preferences for their tract receive priority over applications that are not responsive.	Section 3B
For larger sites or sites with unique features, DOH should allow some flexibility regarding commercial space, rather than forcing all commercial space to be programmed with tenant-centered uses.	Every location is unique. In general, mixed-use opportunities with first-floor commercial are encouraged in the redevelopment tract where commercial amenities are often lacking. Opportunity areas are considered amenity-rich areas where considerable commercial development currently exists and affordable housing units are limited. In such areas, limited public dollars are focused on the creation of affordable units. Any zoning requiring commercial uses should be tenant-centered or considered for a waiver allowing ground floor residential.	Section 3B
Incentivize/require the inclusion of Persons with Lived Expertise in the development of a PSH project.	We appreciate this suggestion and are considering ways to incentivize the meaningful inclusion of people with lived experience for the 2025 QAP	Appendix A1
Include mention of Persons Exiting Institutions other than correctional facilities as a priority population.	Priority populations for PSH were determined for the HOME-ARP planning process in coordination with DFSS.	Appendix A1
Require all PSH (through the 5% set-aside in all tracts, and through the PSH tract itself) to use Coordinated Entry as the referral source.	DOH will work with All Chicago and selected applicants to determine referral pathways.	Appendix B 6.13, pg. 58
Do not require PSH proposals to select one target population from the list of priority populations, but list the priority populations as types of populations that can be served by PSH developments.	Priority populations for PSH were determined for the HOME-ARP planning process in coordination with DFSS.	Appendix B 2, pg. 45
Remove all references to tiered supports for PSH.	DOH recognizes the challenges of providing tiered levels of supportive services which is why DOH is allowing an increase in the developer fee to fund a supportive services escrow. DOH will clarify that all supportive services should be made available by developer; however, tenant participation in all services is voluntary.	Appendix B 4, pg. 48
Align DOH's definition of PSH with HUD and the National Alliance to End Homelessness's definitions.	The LIHTC program is administered by the IRS and is subject to a different set of mandates than HUD-funded programs. DOH's definition is broader than HUD's.	Appendix B 2, pg. 45
Reduce 5% PSH unit requirement and use a preference approach for PSH units that is tied to a subsequent scoring incentive.	No Change	pg. 21
To ensure success of requirement for 50% of units to be at 30% AMI, DOH should offer coordination support for subsidies with partner organizations CLIHTF and CHA, or with third parties like the Flexible Housing Pool. The City should also prioritize PSH developments to receive these subsidies over other project types.	This coordination already occurs. DOH will work with selected applicants to the PSH tract to help ensure sustainable operations subsidies and supportive services funding.	pg. 21
Provide structural analysis of the LIHTC QAP around tenant populations intended to be served vs actual outcomes from awarded projects, with new policies proposed to address representation gaps.	Agreed. When 2021 awardees and beyond reach the lease-up period, we will assess alignment with stated goals of the QAP.'	REIA
DOH should grant prospective QAP applicants on the PSH tract the option to choose whether or not they wish to submit proposals that would associate their future PSH units with the Chicago CoC network, and without penalty towards their application for making this choice.	DOH will work with developers to provide low-barrier housing that effectively serves the priority populations included in the PSH tract. As a result, referral paths will be determined based on development and operating subsidy funding source requirements after applicants are selected for Stage II.	pg. 58