

Inclusionary QAP

Illinois Housing Development Authority
Management Innovation: Internal Operations

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In 2021, Illinois Housing Development Authority (IHDA) established an internal QAP Task Force across multiple departments to conduct research and propose changes for the 2022-2023 QAP. The Task Force focused on three key policy priorities in its work: **sustainability, racial equity, and special populations**. Staff that actively work in the LIHTC program from our Multifamily, Asset Management, Strategic Planning, and Legal departments worked through each section of the QAP to update stagnant language and innovatively revitalize key scoring categories.

As the Task Force finished initial research, it facilitated a series of virtual QAP Summits in May 2021, to discuss changes to the upcoming QAP. These listening sessions were an opportunity for IHDA to receive feedback and suggestions on strategies for revising the QAP directly from the affordable housing development community proactively before a final draft was composed. It allows developers, service providers, advocates, residents, contractors, architects, and many other community partners to reflect on the current QAP and give initial reactions to any shifts IHDA wishes to make.

After thorough internal discussion and debate, the Task Force brought the draft QAP to the statewide community through a public hearing. The draft QAP was published on July 1, 2021, commencing a 30-day public comment period. Eighty-three (83) persons attended the virtual public hearing held on July 21, 2021. And, finally, IHDA received an additional twenty-five (25) written public comments by July 30, 2021.

After reviewing both the hearing's testimonies and written public comments, the Task Force updated the QAP to reflect as many priorities as possible. The changes from IHDA's 2020-2021 QAP to the 2022-2023 QAP include:

- Reformatted the document to be more user-friendly and added hyperlinks to supplemental and external documents.
- Rearranged and combined some sections to reflect the order of operations from preliminary project assessment to project application and compliance. .
- Updated and expanded Preliminary Project Assessment ("PPA") section. Major changes include additional flood risk information and new food access evaluation criteria.
- Moved much of the financial feasibility and income averaging information into an Underwriting Standards Guide.
- Added the 40 mandatory criteria in the 2020 Enterprise Green Communities as a requirement in Project Applications if they do not pursue green building certification points in scoring.
- Added a Scoring table summarizing all points a Project could earn to make the Scoring section easier to navigate for the applicants.
- Added three points for Projects that increase their accessible units from 10% to 15%.
- Reduced the cost containment points and eliminated the rehab points.
- **Updated and increased the Green Building points to better reflect the current requirements in third-party certifications and providing an additional three points for projects pursuing net zero energy.**
- Added a Quality of Life index as another avenue to receive Community Targeting points which may replace IHDA's Opportunity Areas in future rounds.
- Reduced Transportation points to two and changed one of those points to a proximity to jobs calculation.

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- Neighborhood Assets points are reduced to account for the required Enterprise Location and Neighborhood Fabric elements and match closer to Enterprise’s categories.
- **Increased points for Minority and Women-Owned Enterprises, specifically awarding points for BIPOC-led for-profit or non-profit Participants.**
- Adjusted the Statewide Referral Network points (program that creates permanent supportive housing units) to reflect demand for those units across the State and to **reward Projects that tie project-based rental subsidy to SRN units.**

The establishment of the QAP Task Force across multiple departments allowed IHDA to conduct research and propose changes for the 2022-2023 QAP to highlight a multitude of issues. The Task Force focused on three key policy priorities in its work: sustainability, racial equity, and special populations. This will better allow for IHDA to finance the construction and preservation of affordable housing to communities that face additional barriers when trying to access safe and secure housing.

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Table: QAP Scoring Comparisons

2020-2021 QAP Scoring Categories	Weight	2022-2023 QAP Proposed Scoring Categories	Weight
<i>Project Design and Construction</i>	19%	<i>Project Design and Construction</i>	15%
Universal Design		Universal Design	
Unit Mix		Unit Mix	
Cost Containment		Cost Containment	
		Additional Accessible Units	
<i>Energy Efficiency and Sustainability</i>	10%	<i>Energy Efficiency and Sustainability</i>	13%
Green Initiatives Standards		Green Initiatives Standards	
Rehabilitation		Net Zero Certifications	
<i>Community Characteristics</i>	30%	<i>Community Characteristics</i>	25%
Market Characteristics/ Market Study		Market Characteristics/ Market Study	
Community Targeting (Opportunity Area or Community Revitalization)		Community Targeting (Opportunity Area or Community Revitalization or Quality of Life Index)	
Affordability Risk Index		Affordability Risk Index	
Transportation		Transportation	
Neighborhood Assets		Neighborhood Assets	
<i>Development Team Characteristics</i>	7%	<i>Development Team Characteristics</i>	15%
Illinois Based Participants		Illinois Based Participants	
MBE/WBE/DBE		MBE/WBE/DBE (BIPOC-led)	
Non-Profit Participation		Non-Profit Participation	
<i>Financial Characteristics</i>	18%	<i>Financial Characteristics</i>	18%
Rental Assistance OR Deeper Income Targeting		Rental Assistance OR Deeper Income Targeting	
LIHTC only (no other Authority Resources)		LIHTC only (no other Authority Resources)	
Leveraging		Leveraging	
<i>Housing Policy and Objectives</i>	16%	<i>Housing Policy and Objectives</i>	14%

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SRN		SRN	
SRN communities of demand		811 participation	
AHPAA		AHPAA	
Total Points	100	Total Points	100