# Illinois Supportive Housing Institute

Information Session
Tuesday, January 9, 2024

# 2023 Supportive Housing Institute Video



https://www.youtube.com/watch?v=yIIsV9juvdw

SUPPORTIVE HOUSING

HOME ICON

# Financing for Supportive Housing: "Three –Legged Stool"
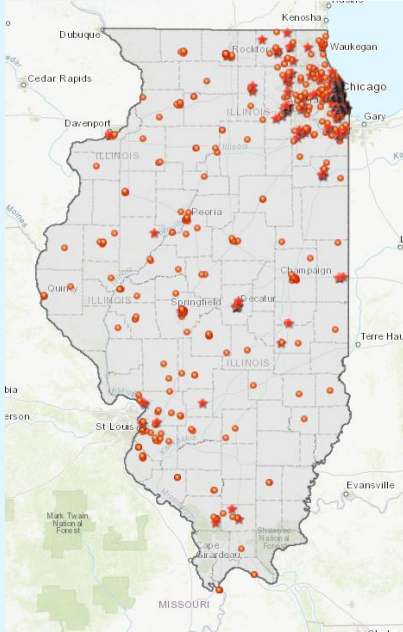
Capital Funding

Rental Subsidy or Operating Reserve

Funding for Services

# Illinois

- 59,071 Homeless Dedicated or Prioritized

- 31,058 Units of Permanent Supportive Housing

## Need

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | Total Need |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Permanent Supportive Housing and Other permanent Housing | 0 | 0 | 1500 | 1500 | 1500 | 1500 | 292 | 0 | 0 | 0 | 0 | 0 | +6292* |

# Thank You

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**Permanent Supportive Housing Development Program – Round X Overview**

# Agenda

1. IHDA Introduction

2. PSH Development Round Basics

3. PSH Program Highlights

4. HOME-ARP

5. LIHTC PSH Scoring Track

6. Partnership on the CSH Institute

# 1. IHDA INTRODUCTION

# IHDA: Illinois' Housing Finance Agency

- Mission: **To finance the creation and preservation of affordable housing in Illinois**

- IHDA has financed **1 in 14 rental apartments** in Illinois

- As of 2023, IHDA has helped **over 6,400 families access $724 million** in mortgage financing through its homeownership programs.

# IHDA: Illinois' Housing Finance Agency

# 2. PSH DEVELOPMENT ROUND BASICS

# Definition of PSH and Service Component

IHDA defines Permanent Supportive Housing as:

- Housing in the project is **permanent; not time-limited**
- **For persons who need supportive services to access and maintain housing** including those:
    - experiencing homelessness or at risk of homelessness,
    - living with a Disability
    - Experiencing or at risk of institutionalization
    - Including those exiting the criminal justice system, jail, or prison
- Independent tenant holds lease with tenant rights and responsibilities
- Affordable Rent
    - Targeted to extremely low-income households at $\leq$30% AMI
    - Typically rent-stabilized
- Access to Supportive Services
    - Services are flexible, voluntary, and sustainable. Participation in services is not a condition of tenancy

# PSH Development Rounds 2017-present

| | Round 4 2017 | Round 5 2019 | Round 6 2020 | Round 7 2021 | Round 8 2022 | Round 9 2023 |
|---|---|---|---|---|---|---|
| **Projects** | 7 | 6 | 8 | 7 | 10 | 5 |
| **PSH Units** | 119 | 127 | 159 | 162 | 230 | 100 |
| **Amount** | $33,133,358 | $27,414,447 | $35,221,823 | $40,233,970 | $52,293,384 | $37,978,825 |

Total PSH Program Units to Present: $226,275,807

Total PSH Projects: 43

# 3. PSH PROGRAM HIGHLIGHTS

# Eligible Activities and Applicants

- Eligible Applicants include Non-profit, For Profit, and Joint Venture developers
  - Projects pursuing H3C funds must include investment from a healthcare partner (hospital, healthcare system, insurer, or MCO)

- 40 Units or fewer; may propose over 40
  - H3C-only has no limit

- Target Populations - Disability neutral unless subsidy source requires specific targeting. For example: Section 811

- At least 50% of units should be for Supportive Housing Populations
  - Does not apply to H3C-only projects

# Amount of Funding

- Up to 90% of the total Project costs
  - IHDA solely reserves right to waive this limitation
  - Maximum $8 million request for H3C projects

- The intended funding sources include:
  - National Housing Trust Fund
  - Illinois Affordable Housing Trust Fund
  - HOME
  - American Rescue Plan State and Local Fiscal Recovery Funds
  - LTOS and Section 811, if available and as applicable
  - Capital Bill funds (H3C)

- May also apply for additional IHDA resources
  - Illinois Affordable Housing Tax Credit (State Donation Tax Credit)
  - IHDA 4% LIHTC

- IHDA may add/remove costs as it deems necessary to support the development and operation of the project

# Income Restrictions and Target Populations

- 50% of the units in the project must for Supportive Housing Populations
  - Expected that these will be affordable to those at or below 30% AMI.
  - IHDA will consider proposals that include a portion of PSH units affordable to those between 30%-50% AMI.

- Other IHDA-funded units up to 60% AMI.

- May propose other affordable or market-rate units if funded from another source.

- Typically restricted for thirty (30) years; Projects funded must comply with the most restrictive funding source

- H3C-only projects shall meet Income Averaging Test

# Priority Activities

Priority will be given to PSH Projects that;

– Leverage other Capital Funds

– Have operating assistance or PBRA

– Incorporate Universal/Green Design, and/or energy efficiencies

– House certain special needs populations

– Offer access to public transit and/or be sited in proximity to neighborhood amenities and community services

– Assemble a diverse development team

– Have significant prior experience, participate in targeted supportive housing training, or receive pre-development certification for their proposal (PSH-Only)

Application Scoring Criteria Described in detail in Section 8 of the RFA

# Next PSH Development Round

- IHDA working to align the next PSH Development Round with this Institute regarding timeline.

- Request for Applications should be released in summer 2024.
  - Updates may include sections surrounding applicant team diversity, and special needs population incentives.
  - Updated the LITHC QAP to include a PSH scoring track to make projects more competitive
- Important note on H3C: the goal of the H3C grant was to build strategic partnerships with hospitals, managed care organizations (MCOs), and insurers to build affordable housing that also addresses inequities in community health.
  - Changes will be made to H3C due to funding availability
  - We will still like to incentivize partnerships with hospitals, MCOs, and insurers

# 3. HOME-ARP

# HOME-ARP

- IHDA administering State of Illinois Non-Entitlement HOME-ARP funds.

- Allocation Plan approved by HUD.

- IHDA working to release RFA in summer 2024.

| Awardee Location | Awardee Amount |
|---|---|
| Aurora | $2,726,703 |
| Chicago | $71,170,234 |
| Decatur | $1,497,384 |
| Evanston | $1,298,584 |
| Peoria | $2,405,902 |
| Rockford | $3,579,012 |
| Springfield | $2,380,397 |
| McHenry County | $2,225,083 |
| **IL Non Entitlement** | **$62,083,824** |
| Lake County | $6,025,377 |
| Will County | $4,581,154 |
| Cook County | $23,837,306 |
| DuPage County | $6,505,249 |
| St. Clair County | $3,762,217 |
| Kane County | $3,399,022 |
| Urbana | $2,970,773 |
| Madison County | $3,529,710 |
| **TOTAL** | **$203,977,931** |

# HOME-ARP Qualifying Populations

**Individuals/Families who are:**

1. Homeless

2. At-risk of Homelessness

3. Fleeing or Attempting to Flee Domestic Violence, Dating Violence, Sexual Violence, Stalking or Human Trafficking

4. Part of other populations where providing supportive services or assistance would prevent a family's homelessness or would serve those with the greatest risk of housing instability

5. Veterans and families that include a veteran family member that meet the criteria in any one of the (1-4) above

Links for more information on qualifying populations:
- HOME-ARP Guidance
- HOME-ARP Policy Brief: Preferences, Methods of Prioritization, and Limitations

# Eligible Activities

| | Funding Amount | Percent of the Grant | Statutory Limit |
|---|---|---|---|
| Acquisition and Development of Non-Congregate Shelters | $ 37,250,294 | 60% | n/a |
| Development of Affordable Rental Housing | $ 15,520,956 | 25% | n/a |
| Administration and Planning | $ 9,312,574 | 15% | 15% |
| **Total HOME ARP Allocation** | **$ 62,083,824** | | |

\* Based on the applications received, these amounts and percentages may fluctuate.

# HOME-ARP Preferences

IHDA will require preferences that must be applied to all applicants for the **Rental Housing** eligible activity following the prioritization listed below as well:

1. Chronically Homeless
2. Persons Exiting Institutions/Reentry into the Community
3. Youth Aging Out of the Foster Care System
4. Families with Children
5. At-Risk of Homelessness

*Applicants may request to establish a preference to serve other or more specific special needs populations in addition to these preferences.*

No preferences are established for the **Non-Congregate Shelter** eligible activity

*If a Coordinated Entry system partners with a shelter facility, that Coordinated Entry system's preferences or priorities may be applied to the shelter's policies, as long as they also adhere to serve all Qualifying Populations according to HOME-ARP guidance.*

# 5. LIHTC PSH SCORING TRACK
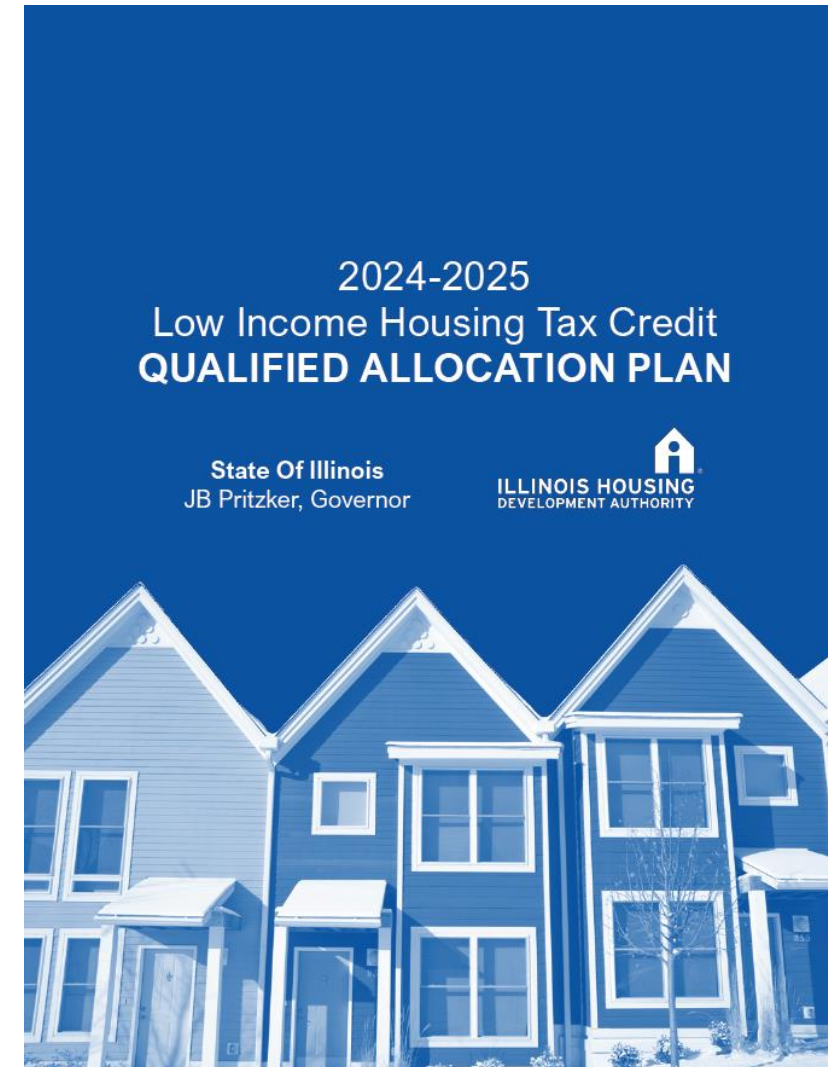
## Low-Income Housing Tax Credits and QAP

- IHDA manages the Low-Income Housing Tax Credit Program for the State.

- The Qualified Allocation Plan (QAP) is the governing document
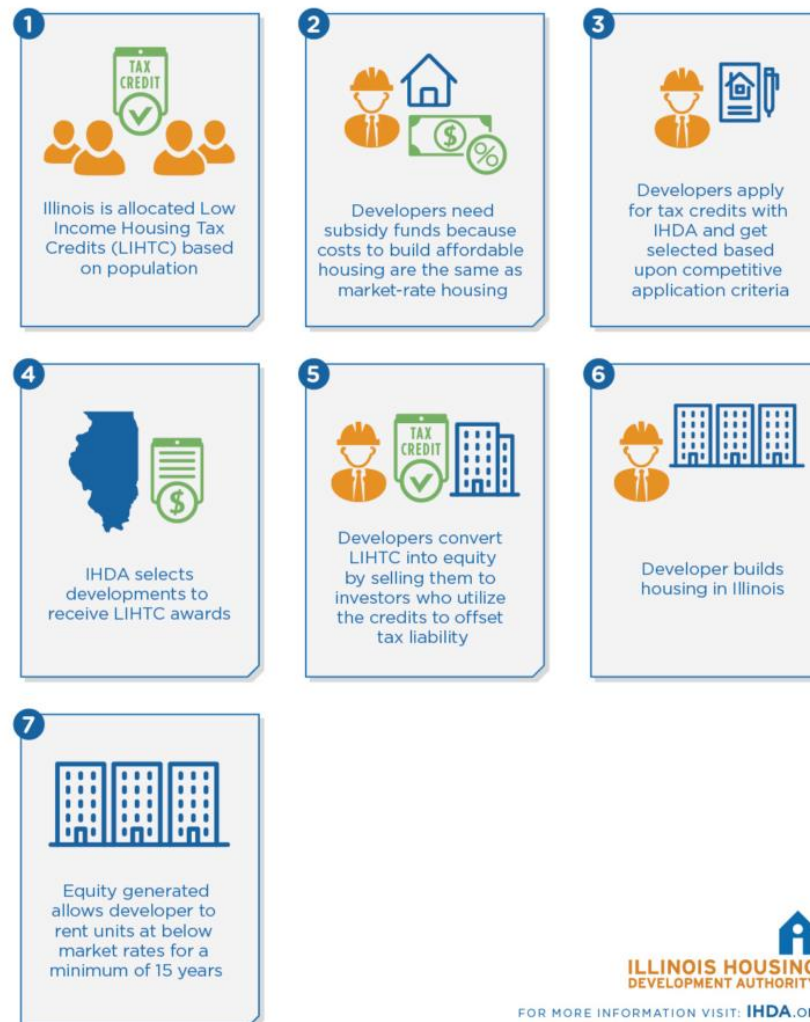
- IHDA recently updated the QAP for 2024-25



2024-2025
Low Income Housing Tax Credit
**QUALIFIED ALLOCATION PLAN**

**State Of Illinois**
JB Pritzker, Governor

**ILLINOIS HOUSING**
DEVELOPMENT AUTHORITY

## Low-Income Housing Tax Credits and QAP

- "9%" and "4%" LIHTC

- 9% LIHTC may be requested annually via a competitive funding round

- 4% LIHTC may be requested on a rolling basis

- Must submit Preliminary Project Assessment (PPA) for initial review prior to allocation.



### How Does the Low Income Housing Tax Credit Work?

1. Illinois is allocated Low Income Housing Tax Credits (LIHTC) based on population

2. Developers need subsidy funds because costs to build affordable housing are the same as market-rate housing

3. Developers apply for tax credits with IHDA and get selected based upon competitive application criteria

4. IHDA selects developments to receive LIHTC awards

5. Developers convert LIHTC into equity by selling them to investors who utilize the credits to offset tax liability

6. Developer builds housing in Illinois

7. Equity generated allows developer to rent units at below market rates for a minimum of 15 years

# QAP/LIHTC Policy Priorities: Most Vulnerable Populations

| Most Vulnerable Populations | | |
|---|---|---|
| 4%, 9% | Mandatory requirement that Projects dedicate 5% (4% Tax Credit Applications) or 5-10% (9% Tax Credit Applications, dependent upon Set-Aside) of total units to the SRN | Statewide Referral Network **(Section VIII.Q.i)** |
| 4%, 9% | Mandatory requirement that Projects exercise a 10% waitlist preference for veterans in the Tenant Selection Plan ("TSP") | Veterans Housing Preference **(Section VIII.Q.ii)** |
| 9% | Competitive PSH Track Scoring option available for Projects that dedicate 30% or more of their total units to serving Supportive Housing Populations | PSH Track Scoring criteria and categories **(Section IX)** |
| 9% | Up to three points achievable for Projects that incorporate at least a 15% share of accessible units | Additional Accessible Units **(Section IX.A.ii)** |
| 9% | Up to eight points achievable for Projects that dedicate higher shares of total units to populations at extremely low-income levels (General Track Scoring only) | Deeper Income Targeting **(Section IX.E.i.b)** |
| 9% | Up to 22 points achievable for PSH Track Projects and 12 points achievable for General Track Projects via the Most Vulnerable Populations scoring category | Most Vulnerable Populations **(Section IX.F)** |

# Low-Income Housing Tax Credits and QAP

- 2024-2025 includes a PSH Scoring Track for 9% LIHTC projects that dedicate at least 30% of their total units to serve Supportive Housing Populations.

- 9% LIHTC projects are scored competitively within their geographic Set-Aside.

- All projects must meet IHDA Mandatory requirements including Underwriting and construction standards.

| Primary and Sub-Categories | General Track Scoring Points | PSH Track Scoring Points |
|---|---|---|
| **Project Design and Construction** | **15** | **15** |
| Accessibility: Universal Design | 7 | 7 |
| Accessibility: Additional Accessible Units* | 3 | 3 |
| Unit Mix | 2 | 2 |
| Cost Containment | 3 | 3 |
| **Sustainability and Energy Efficiency*** | **13#** | **7#** |
| Green Building Certification: Basic Level | 7 | 7 |
| Green Building Certification: Advanced Level | 10 | - |
| Green Building Certification: Net Zero Level | 13 | - |
| Energy Efficiency Certification | 13 | 7 |
| **Community Characteristics** | **27** | **27** |
| Market Characteristics | 3 | 3 |
| Community Targeting* | 10 | 10 |
| Affordability Risk Index | 5 | 5 |
| Transportation | 2 | 4 |
| Neighborhood Assets | 5 | 5 |
| Affordable Housing Planning and Appeal Act Projects* | 2 | - |
| **Development Team Characteristics** | **15** | **13** |
| Illinois Based Participants | 4 | 2 |
| **FOR-PROFIT TEAM ONLY CHARACTERISTICS** | **11** | **11** |
| BIPOC Development Control* | 11 | 11 |
| Women/Disadvantaged/Minority Enterprises* | | |
| **NON-PROFIT TEAM ONLY CHARACTERISTICS** | **11** | **11** |
| BIPOC Development Control* | 7 | 7 |
| Women/Disadvantaged/Minority Enterprises* | | |
| Non-Profit Organization Participation | 4 | 4 |
| **Financial Characteristics** | **18** | **16** |
| Rental Assistance | 8 | 8 |
| Deeper Income Targeting* | | - |
| No Additional Authority Resource Requests | 2 | - |
| Leveraging | 8 | 8 |
| **Most Vulnerable Populations*** | **12** | **22** |
| Statewide Referral Network Participation | 10 | 4 |
| Section 811 Project-Based Rental Assistance | 2 | 2 |
| Coordination of Referrals | - | 4 |
| Coordination of Services | - | 6 |
| Supportive Housing Experience, Training and Endorsements | - | 4 |
| 50% or More Units Dedicated to Supportive Housing | - | 2 |
| **Totals** | **100** | **100** |

# 6. PARTNERSHIP ON THE CSH INSTITUTE

# IHDA Involvement

- IHDA funded the Institute and a Project Initiation Loan (PIL) pool through the State Affordable Housing Trust Fund.

- The Institute and PIL are intended to:
  - Expand the creation of PSH across Illinois, especially outside the Chicago Metro region
  - Diversify the developer pool applying for the PSH Development Rounds.
  - Ensure PSH best practices and strong partnerships between developers, service providers, and property managers.

- IHDA staff will participate in the institute to provide important information about the upcoming PSH round as well as to support Institute participants and CSH.

# THANK YOU

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PSH Development Round Questions
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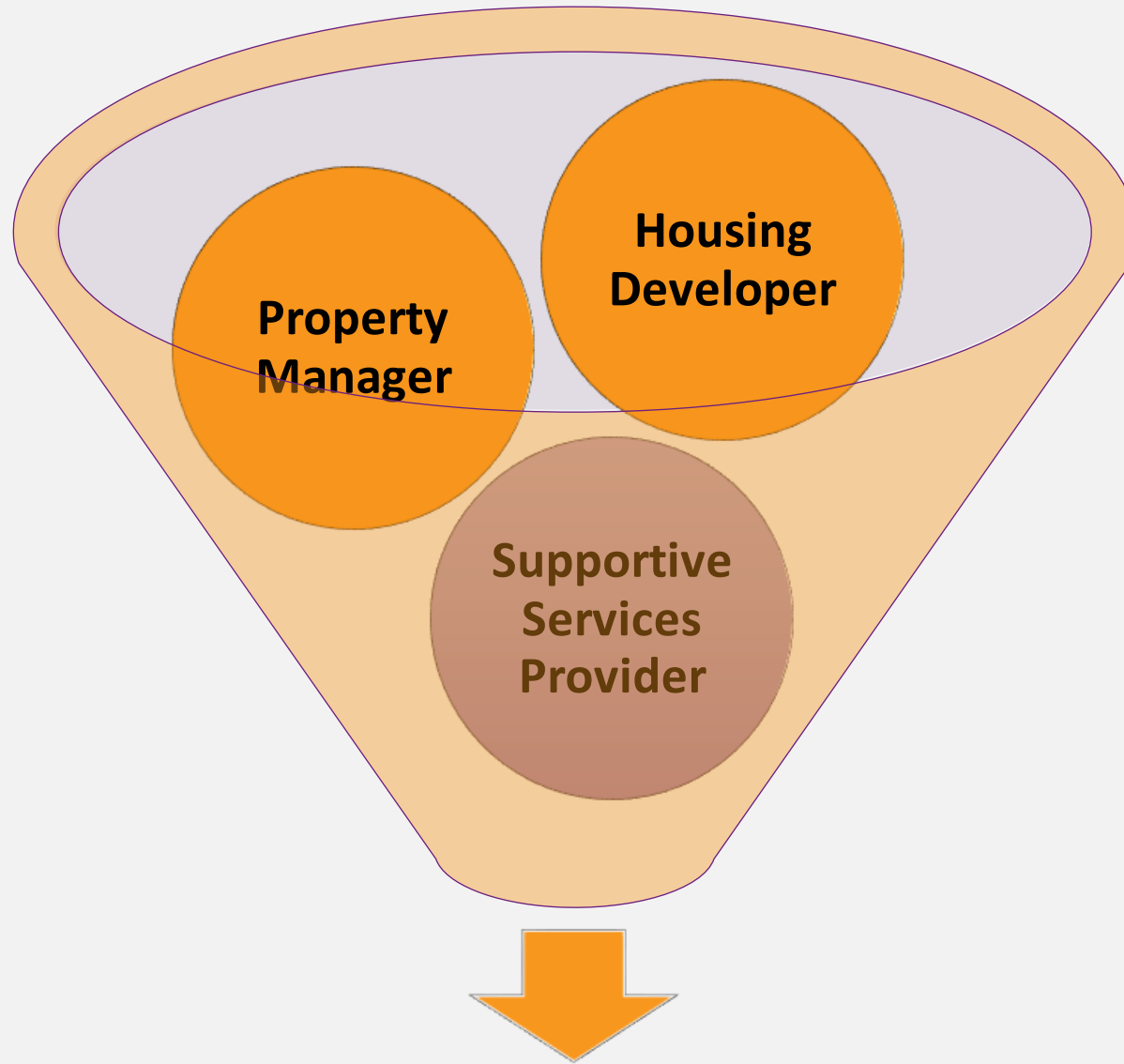# Illinois Supportive Housing Institute

Overview and application process

# What Is the Illinois Supportive Housing Institute?

Property Manager

Housing Developer

Supportive Services Provider

Selected teams will leave the Institute with a detailed development and management plan for their housing project

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# Institute Objectives

**1** Understand the Housing First model including voluntary services, harm reduction, and eviction prevention

**2** Identify the roles and responsibilities of each partner and establish how the team will work together

**3** Create tenant selection plans, property management plans, and tenant leadership/ engagement plans
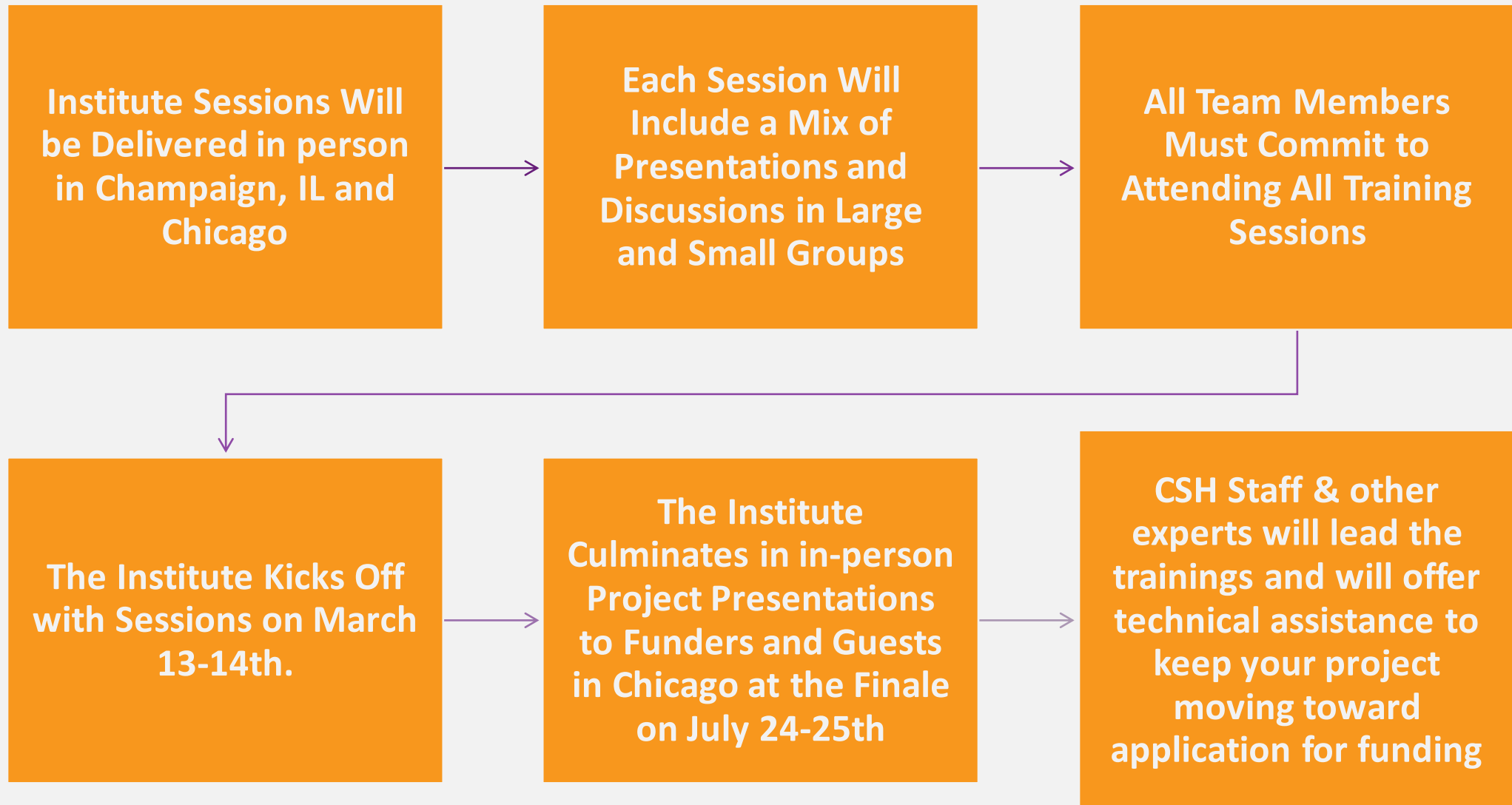
**4** Understand the various elements of financing supportive housing and develop preliminary budgets

**5** Set minimum standards for design criteria and site selection

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# Training Format

**Institute Sessions Will be Delivered in person in Champaign, IL and Chicago**

**Each Session Will Include a Mix of Presentations and Discussions in Large and Small Groups**

**All Team Members Must Commit to Attending All Training Sessions**

**The Institute Kicks Off with Sessions on March 13-14th.**

**The Institute Culminates in in-person Project Presentations to Funders and Guests in Chicago at the Finale on July 24-25th**

**CSH Staff & other experts will lead the trainings and will offer technical assistance to keep your project moving toward application for funding**

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# Training Dates and Selected Topics

| | |
|---|---|
| **March 13 – 14 Champaign** | - Introduction to supportive housing<br>- Understanding the development process<br>- Supportive housing roles<br>- Community support |
| **April 9 – 10 Champaign** | - Supportive services design<br>- Trauma informed and integrated housing design |
| **May 15 – 16 Champaign** | - Property management best practices<br>- Coordinating services and property management<br>- Fair housing |
| **June 12 – 13 Champaign** | - Capital, operating, and service budgets |
| **July 24 – 25 Chicago** | - Tenant leadership<br>- Common first year challenges<br>- Presentations to funders |

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# Institute Benefits

Upon completion, participants in the Institute will have:

- A detailed, individualized supportive housing plan that can be used to apply for funding to IHDA's Permanent Supportive Housing development financing round

- Opportunity to apply for early pre-development financing through CSH's Project Initiation Loan Fund

- Improved skills to create and to operate single-site and integrated supportive housing projects serving people who experience multiple barriers to housing

- A powerful network of peers and experts to assist in project development and to troubleshoot problems

- **Post-Institute technical assistance from CSH**

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# Eligible Applicants

The Institute is designed specifically to support the creation of permanent supportive housing where:

- Housing is permanent
- Housing is affordable (<30% AMI)
- Tenant holds a lease
- Participation in services is not a condition of tenancy
- Comprehensive case management services are accessible by tenants where they live and offered in a manner designed to maximize housing stability

- Integrated projects are accepted, but at least 50% of units should be Permanent Supportive Housing.

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# Request For Application Highlights

## Dates

- Applications are due February 8th, 2024
- Applicants will be notified whether they've been accepted to participate in the Illinois Statewide Supportive Housing Institute by February 15, 2024.
- The Institute will begin on March 13, 2024.

## Teams

- Team must Identify a team leader
- Team may have up to 5 members
- Teams are encouraged to incorporate feedback from people with lived expertise into their project
- All team members must attend all sessions over the 5 months.

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# Team Selection Criteria

Selection process is competitive, and applications will be scored on the following criteria:

| Criteria | Points Possible |
|---|---|
| Project Readiness and Accessibility | 10 |
| Need and Demand for Project | 15 |
| Project Concept | 15 |
| Experience and Capacity | 10 |
| **Total** | **50** |

- Selected teams will need to submit a letter from a Board Chair or Member of Board Executive Committee of not-for-profit project partners affirming commitment to participate in the Illinois Statewide Supportive Housing Institute and adhere to the guidelines provided through the RFA.

# Application Submission

- Applications are due **Thursday, February 8, 2024, by 5:00 p.m.**

- Submit applications to **Illinois.institute@csh.org**

- Applicants will be notified of selection by Thursday, February 15th


- A complete application consists of:
  - Pages 2 – 6 of the application document
  - A project narrative that answers all questions on pages 7 – 8 of the application document
  - Application attachments listed on pages 8 – 9 of the application document


**If you do not receive an email confirmation that your application was received within 24 hours of submission, please email brett.penner@csh.org.**

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# QUESTIONS

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