Program Overview
The Illinois Affordable Housing Tax Credit (IAHTC) Program encourages private investment in affordable housing by providing donors to qualified non-profit affordable housing sponsors with a tax credit on their Illinois income tax equal to 50% of the donation.

This program leveraged the creation of 17,800 units of single family and multifamily housing spread throughout Illinois. The total development cost exceeded $3.3 billion dollars which were pumped into local units of government, vendors, and construction trades.

The Illinois Affordable Housing Tax Credit began in 2001 as a key leverage to fund quality affordable homes throughout Illinois. It expires on December 31, 2016 per the legislation and passage of SB83/HB3711 will be its 3rd five year renewal.

The current legislation expires in 2016 but is proposed for renewal during Spring 2015 session in order to provide continuity for donors, project sponsors, and Illinois residents seeking improved and affordable housing. Affordable housing development typically can take 3 years or more depending on regulatory requirements and finalizing the financial package to construct and operate the development. Layers of financing are required from private and public sectors including bank financing, philanthropic grants, donations, and state and federal sources - often 6-12 sources of financing on one 100 unit development.

Timing is critical to leverage these funding partnerships so any gap or uncertainty in the availability of the Illinois Affordable Housing Tax Credit will adversely affect the complex relationships involved in the public private financing partnerships. Our intended scenario is to provide continuity and predictability.

Program Details
The Illinois Housing Development Authority administers the IAHTC program statewide. The City of Chicago’s Department of Housing administers the program in the City of Chicago. Each agency will review applications submitted by sponsors and provide a reservation of IAHTCs to successful applicants.

Once an applicant has received a reservation for IAHTCs, a donation must be procured within 12 months. Non-Employer Assisted Housing projects have a possibility of a 12-month extension upon written request to the administering agency. During this time, any financing needed for the development must also be procured. The credit will be issued once the administering agency receives evidence of the donation and other project information, such as final cost, unit mix, and financing on Authority prescribed forms. Transfer of the credit is encouraged; however, all transferees must make a donation to the project sponsor upon transfer.
Amount Available

<table>
<thead>
<tr>
<th>Fiscal Year 2015 (July 1, 2014 - June 30, 2015)</th>
<th>State</th>
<th>IHDA</th>
<th>Chicago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Allocation</td>
<td>24,513,439</td>
<td>18,507,646</td>
<td>6,005,793</td>
</tr>
<tr>
<td>Employer Assisted Housing Set-Aside</td>
<td>2,000,000</td>
<td>1,510,000</td>
<td>490,000</td>
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<tr>
<td>T/A and Operating Set-Aside</td>
<td>1,000,000</td>
<td>755,000</td>
<td>245,000</td>
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<tr>
<td>General Pool</td>
<td>21,513,439</td>
<td>16,242,646</td>
<td>5,270,793</td>
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</tbody>
</table>

The Illinois Housing Development Authority (IHDA) receives 75.5% of the IAHTC annually, while the City of Chicago Department of Community Development (DCD) receives 24.5%. Each administrative entity has its own application process.

Program Preferences

- Sponsor’s ability to proceed (project readiness)
- Evidence of site control
- Preservation of an existing affordable housing project
- Serving special needs populations
- Serving lower income households

Eligible Donations

Eligible donations include money, securities, or real or personal property provided without consideration to a Sponsor for an Affordable Housing Project. The donations may be aggregated if more than one donation is received for a development, but the total donation may never be less than $10,000. All donors must submit a donor affidavit stating that they understand they are making a donation that is eligible for the Illinois Affordable Housing Tax Credit program and if they will be keeping or transferring the tax credit certificate.

Eligible Costs

Costs associated with purchasing, rehabilitating, constructing, or providing financing for a development are eligible; technical assistance for the project, or general operating support of the Sponsor in connection with the project are also eligible costs, but will only be available until the set-aside for these costs is expended.

Credit Transfers

Donors may transfer some or all of their IAHTCs to another individual or entity. The individual or entity receiving the transfer of credits must make a donation to the affordable housing project at the time of transfer. If the amount transferred is less than $100,000 the donation must be 10% of the amount transferred. If the amount transferred is greater than $100,000 the donation must be $10,000. The administrating agency must be informed, in writing, of all IAHTC transfers.

Income Levels Served

For all but employer-assisted housing developments, 25% of the units in each development must serve persons with incomes of 60% of the area median income or less. Rents or mortgage payments may not exceed 30% of the household income.