

November 16, 2009

Gloria Materre
 Executive Director
 Illinois Housing Development Authority
 401 North Michigan, Suite 700
 Chicago, IL 60611

Re: **Qualified Allocation Plan Comments**

Dear Gloria;

Thank you for the opportunity to comment on the proposed Qualified Allocation Plan. On behalf of the Metropolitan Planning Council (MPC), I am writing both to express our enthusiasm for several of the noteworthy changes outlined in the proposal, as well as to offer suggestions for strengthening it in a few places.

MPC applauds the fresh re-evaluation of this document, and IHDA's aggressive reworking of its entire structure. A number of the proposed changes advance MPC's founding objective to increase the range of quality housing options near jobs and transportation for the region's diverse households. More importantly, many of these changes linking housing, jobs and transportation advance Illinois' broader efforts to promote Sustainable Communities, akin to the direction encouraged by the Obama Administration.

In particular, MPC endorses the new per-capita structure for allocating resources. This will help to advance the state's broader goal to ensure the right balance of quality affordable housing options in communities with a full range of amenities and opportunities.

Based on MPC's experience administering the Regional Housing Initiative (RHI), in coordination with IHDA, we also appreciate the new "preliminary application" requirement. This will not only save developers time and money, but provide early guidance on the appropriateness of their proposals.

RHI underscores MPC's commitment to integrating public housing resources within mixed-income communities and revitalization efforts linked to good jobs and good transit. As such, MPC supports the increased point structure to encourage project-based subsidies and real estate tax abatements.

For years, MPC has encouraged IHDA to revisit its strategies for encouraging "live near work" and "live near transit," and to provide more objective, proactive criteria for supporting the kind of sustainable communities such policies promote. We are pleased IHDA has continued the policy it introduced in 2008, to reward not only communities that fall under the Affordable Housing and Planning Appeals Act (AHPAA), but also those communities "at risk to AHPAA."

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More significantly, MPC is enthusiastic the proposed QAP would reward “Live Near Work and Transit-Oriented Development,” and the state is committed to using appropriate criteria to promote and evaluate such housing options in Chicago, metro areas, and non-metro areas alike.

Similarly, MPC agrees the time is ripe to raise the bar on employer incentives to attract greater investment in housing deals. Based on our extensive experience with Employer-Assisted Housing (EAH), we urge three significant modifications to this section.

1. Provide some level of points to employers who provide rent subsidies.

MPC has seen an increase in employer interest in rent subsidy programs, and find it is an effective strategy for building employers' understanding of and self-interest in the issue of housing opportunities for their employees. Maintaining even modest incentives for employers can open the door to them making larger investments in the future.

2. Encourage developers to work through REACH Illinois as they reach out to and negotiate with area employers.

Over the last several years, all of us involved in REACH Illinois have learned it takes a range of partners to implement a successful statewide EAH strategy, and it is critical that those partners pursue a coordinated approach, with consistent and accurate information. For example, MPC recently worked with the National Association of Realtors to revise its increasingly aggressive approach to EAH so that in states like Illinois, Realtors are working *with* counseling agencies and local leaders on outreach strategies – not competing against them. The last thing we want to do is alienate employers, the very constituency we aim to engage, because developers are pursuing their own outreach to them – independent of the suburban mayors, REACH Illinois partners, and Realtors who are coordinating their activity. There is a very serious risk that, with too many “messengers,” employers interested in investing in housing solutions for local workers could receive inaccurate information on the range of incentives Illinois offers to employers.

3. Clarify if and how employer contributions relate to the Illinois Affordable Housing Tax Credit program.

In the current draft, it is not clear whether a proposed development can use LIHTCs and IAHTCs together. In the spirit of coordination and consistency, all parties need to know what connection there is, if any, between these two programs.

Overall, MPC is pleased with the significant policy shifts represented in the proposed QAP and commends IHDA's leadership on promoting them. There are, however, some concerns within the development community about the underwriting criteria. We encourage you to review and reflect on the extensive developer feedback as you prepare the final version of the QAP.

Congratulations on an impressive rewrite of this important document. MPC values and appreciates the opportunity to share our input. Please feel free to contact me to discuss any of the above matters in further detail.

Sincerely,

A handwritten signature in black ink that reads "Robin". The letters are cursive and fluid.

Robin Snyderman
Vice President of Community Development