

REGIONAL HOUSING INITIATIVE

Frequently Asked Questions

What is the Regional Housing Initiative (RHI)?

RHI is a program designed to encourage the development, rehabilitation, and preservation of quality affordable rental housing throughout the seven county region. The Initiative is a partnership of nine housing authorities (Chicago, Cook County, DuPage, Joliet, Lake County, McHenry County, Oak Park, Park Forest, and Waukegan), the Illinois Housing Development Authority, the Metropolitan Planning Council, and CMAP. The public housing authorities (PHA's) have agreed to make project-based subsidies (RHI vouchers) available for rental housing units in developments throughout the region. RHI is supported by the U.S. Department of Housing and Urban Development (HUD).

What is the purpose of the Regional Housing Initiative?

RHI is designed to bring quality housing opportunities closer to [opportunity areas](#) and locations served by transit. An important part of implementing GO TO 2040's recommendation for increasing the range of housing options, particularly options that promote housing affordability in areas near transit, is coordinating resources that guide development decisions. Such resources can be used to implement local plans, including those produced through the [Local Technical Assistance](#) program.

What is the benefit of RHI to owners of apartment buildings?

RHI enables owners of well-managed multifamily rental properties to have predictable rental income stream for as long as they want (up to 15 years, renewable). RHI vouchers generally fund the difference between reasonable market rents and the tenant's rent payment. Tenants are required to pay 30 percent of gross monthly income, plus a utility allowance.

Why should multifamily family developers be interested in RHI?

- Developers using RHI are more competitive for IHDA's Low-Income Housing Tax Credit funding.
- The owner of the development receives a steady source of rental income throughout the 15-year operating subsidy.
- Low-income families gain access to housing in attractive communities, while paying reasonable rents set at 30 percent of their incomes.
- Homes that receive funding support local and regional housing goals.

What is an RHI voucher?

An RHI voucher is a project-based rental voucher that must be applied for through the RHI competitive process. It provides rental support to qualified families, which is paid directly to the landlord. Unlike most rental vouchers, RHI vouchers are attached to apartments, not tenants. RHI vouchers are intended to provide affordable rental housing near jobs and must meet the RHI program requirements (see applications at <http://www.cmap.illinois.gov/livability/housing/rhi/developers>).

What is the maximum and minimum number of RHI vouchers that I can apply for in my building or development?

RHI is intended to foster economically diverse living environments. Therefore no more than 25 percent of a development can receive RHI vouchers, except in the case of special needs housing. RHI vouchers/units can constitute 100 percent of the units in a development, if the development is supportive housing for people with disabilities. The minimum number of RHI vouchers/units per development is 5. They must represent at least 25 percent of the total number of units.

Examples:

- 12-unit development, non-supportive housing. Maximum number of RHI vouchers applicable: 25% of 12 = 3. Proposal does not qualify (less than 5 subsidies).
- 28-unit development, non-supportive housing. Maximum number of RHI vouchers applicable: 25% of 28=7. proposal qualifies (more than 5 subsidies).
- 4-unit development, supportive housing for people with disabilities. Maximum number of RHI vouchers applicable: 100% of 4=4. Proposal does not qualify (less than 5 subsidies).
- 5-unit development, supportive housing for people with disabilities. Maximum number of RHI vouchers applicable: 100% of 5=5. Proposal qualifies (5 subsidies).

Are seniors-only buildings eligible for RHI subsidies?

No. Proposals with occupancy restricted to seniors will not be considered for assistance under RHI.

Are there restrictions on who I lease apartments to?

Yes. Potential residents for RHI units must be referred by the housing authority that has jurisdiction over the area where the development is located, or “Lead Housing Authority”. All of the participating housing authorities will refer potential residents to the Lead Housing Authority.

RHI is designed to bring housing opportunities closer to employment opportunities. Consequently, all of the housing authorities will establish a “working preference” for families to be referred to RHI apartments. The working preference will establish priority for residents who are working, or in training for work, within a 12-mile radius of the apartments.

Must I accept any tenant referred to my building?

No, owners or their agents are expected to screen rental applicants. However, owners must comply with all applicable non-discrimination and fair housing laws and regulations in screening and making offers of housing.

Are there restrictions on how much rent I can charge?

Rents for RHI apartments should be consistent with rents charged for non-RHI units in the units in the same development. These rents should also be considered “reasonable” in relation to other comparable private market rents. Rents may not exceed 110 percent of fair market rent (FMR) as determined by HUD. In high cost areas, rents may go up to 120 percent of FMR. RHI apartments that are financed using low-income housing tax credits may not charge more than the tax credit maximum rents. Rents for RHI apartments may be adjusted annually, subject to a determination of rent reasonableness.

Where do I find the FMRs?

Updated FMR's are available as part of the [RHI application](#) or visit this [HUD link](#) to obtain updated FMRs.

How much do tenants pay?

Tenants are obligated to pay approximately 30 percent of their adjusted monthly income for rent and utilities not included in the rent. If utilities are included in the rent their payment for them will be calculated into the rent payment from the lead housing authority.

Can RHI vouchers be used for occupied units, if existing residents qualify for RHI?

No. Only vacant units can have RHI vouchers attached to them.

Can I use RHI if current residents of my building or development need to be relocated?

The answer to this will depend on the housing authority that has jurisdiction where your building or development is located. The housing authority must agree to give relocates highest priority on its waiting list to return to that property. If relocation is required, you should first contact the Lead Housing Authority to determine if such a prioritization is possible.

If existing residents need to be relocated, the Uniform Relocation Act must be followed.

When is the application due?

RHI applications are accepted on a rolling basis. However, applicants that are also applying for Low Income Housing Tax Credits must coordinate their applications to meet the IHDA deadline by [contacting](#) CMAP as early as possible in the application process.

What makes an RHI application competitive?

While the full selection criteria can be found in the [RHI application](#), proposals should focus on four key factors.

- Does the proposal increase access to opportunity, as defined by the [Fair Housing and Equity Assessment](#)?
- Does the proposal provide access to transit?
- Does the proposal advance the implementation of a plan.
- Does the proposal provide for households with different incomes in the development or neighborhood?

What advantages can RHI bring to my proposal if I am also applying for Low Income Housing Tax Credits?

While the exact scoring benefit when applying for Low Income Housing Tax Credits changes frequently, previous scoring rubrics by the Illinois Housing Development Authority have provided additional points for projects that are also supported by RHI. For the most recent information from IHDA, please visit this [link](#).

What is the Agreement to enter a Housing Assistance Payment (AHAP)?

In the case of new construction or substantial rehabilitation, once RHI vouchers are awarded to a development the owner must execute an Agreement to enter a Housing Assistance Payment (AHAP) contract with the Lead Public Housing Authority with jurisdiction over the area where the development is located. The AHAP is a contract that requires the owner to construct or rehabilitate the housing in accordance with approved construction drawings and specifications or work write-ups. It also fixes initial contract rents for the assisted apartments that will be included in the Housing Assistance Payments (HAP) contract.

The AHAP must be executed prior to the new construction or rehabilitation proposals commencing construction. AHAP templates are located within the RHI application.

What is the Housing Assistance Payments (HAP) contract?

Once the apartments are ready for occupancy, the owner enters into the HAP contract with the lead public housing authority. The HAP contract governs the flow of subsidy to the development for the RHI assisted apartments, explains the roles and responsibilities of the

agency and owner, term, penalties and other matters. All payments are subject to annual appropriations of voucher funds by Congress throughout the HAP contract term. HAP templates are located within the RHI application.

What is the length of a HAP contract?

The HAP contract may have a term of up to 15 years, with further extensions to be determined by the lead PHA.

For more information, contact [Jonathan Burch](#).