**Section 355.103 Definitions**

As used in this Part, the following words or terms mean:

"Act": The Illinois Housing Development Act [20 ILCS 3805].

"Affordable Housing Project": A housing project that is either:

a rental project in which at least 25% of the Units that have rents (including tenant-paid heat) that do not exceed, on a monthly basis, 30% of the gross monthly income of a Household earning the maximum income for a Low-Income Household in the geographical area in which the Affordable Housing Project is located and that are occupied by persons and families who qualify as Low-Income Households; or

a Unit for sale to Low-Income Households and who will pay no more than 30% of their gross household income for mortgage principal, interest, property taxes, and property insurance upon the purchase of the Unit.

An Agency may consider a Project to be a rental project even when a tenant does not pay rent if a rental subsidy is received by the Project or tenant.

"Affordable Housing Restrictions": The income and occupancy restrictions for an Affordable Housing Project or an Employer-Assisted Housing Project required by Section 7.28 and this Part, or those set forth in the Application for the Affordable Housing Project or the Employer-Assisted Housing Project, whichever are more stringent.

"Affordable Housing Tax Credits": Affordable Housing Tax Credits, as authorized by Section 7.28 of the Act and Section 214 of the Illinois Income Tax Act [35 ILCS 5/214].

"Affordable Housing Tax Credit Ceiling": The aggregate amount of Affordable Housing Tax Credits available for Allocation in a State fiscal year.

"Agency": The Authority, the City of Chicago or any other municipality that may subsequently be designated by law as an agency for the Allocation of Affordable Housing Tax Credits.

"Agency Affordable Housing Tax Credit Ceiling": That portion of the Affordable Housing Tax Credit Ceiling that is available for Allocation by an Agency. That amount is 24.5% of the Affordable Housing Tax Credit Ceiling for the City of Chicago, and 75.5% of the Affordable Housing Tax Credit Ceiling for the Authority.

"Agency Head": The Executive Director of the Authority or the Housing Commissioner of the City of Chicago.

"Allocation": An award by an Agency of Affordable Housing Tax Credits in connection with a Project.

"Applicant": The Sponsor (and any other affiliated entities) applying for an Allocation.

"Application": An application to an Agency for a Reservation and an Allocation submitted by an Applicant, including the required supporting documentation.

"Authority": The Illinois Housing Development Authority.

"Certificate": The certificate issued by an Agency evidencing an Allocation. The Certificate shall be issued and delivered to the Donor unless otherwise directed by the Donor pursuant to Section 309 of this Part and shall state the effective date of the Allocation.

"Compliance Period": The period during which a Project is obligated to comply with the Affordable Housing Restrictions, as set forth in the Application. The Compliance Period for an Affordable Housing Project shall be a minimum of 10 years from the date of the issuance of the certificate of occupancy from the municipality in which the Affordable Housing Project is located (or the like, as acceptable to the Agency in its discretion, for Affordable Housing Projects that are rehabilitated and when the municipality does not re-issue a certificate of occupancy). The Compliance Period for a Single Family Project or an Employer-Assisted Housing Project in which a Sponsor provides construction subsidies, down payment and closing cost assistance or homeownership counseling to Low-Income Households or, for Employer-Assisted Housing Projects, Moderate-Income Households purchasing a Single Family Residence shall be 5 years from the date of the closing of the purchase of the Single Family Residence. The Compliance Period in connection with the purchase of a Single Family Residence may be reduced as provided in Section 355.404 of this Part.

"Donation": Money, securities, real property, or personal property that is provided without consideration to a Sponsor and that is used for:

costs associated with purchasing, rehabilitating, constructing, or providing or obtaining financing for an Affordable Housing Project, including fees for attorneys, architects, accountants, surveyors and appraisers;

Technical Assistance; or

General Operating Support of the Sponsor; or

an Employer-Assisted Housing Project.

"Donor": An individual or entity, other than the Federal government, the State government, any local municipality or any agency, board commission, corporation or authority of the Federal government, the State government or any local government, except as provided in Section 355.311 of this Part, making a Donation. For purposes of this definition and related provisions of this Part, any school district within the State of Illinois will not be deemed to be a local municipality or agency, board, commission, corporation or authority or the Federal government, the State government or any local government.

"Employer-Assisted Housing Project": A project that involves Donations made to a Sponsor that are used for down payment and closing cost assistance, reduced-interest mortgages, mortgage guarantee programs, rental subsidies, or individual development account savings plans that are:

provided by the Sponsor to the employers' employees to assist them to secure housing near the employer's work place; and

restricted to housing near such work place; and

restricted to employees who qualify as Moderate-Income Households.

"General Operating Support": Any cost incurred by a Sponsor, directly or indirectly, in connection with an Affordable Housing Project or an Employer-Assisted Housing Project. Such costs may include a proportionate amount of the general overhead expenses of the Sponsor.

"Gross Household Income": The total annualized income of a Household from whatever source derived and before taxes or withholdings.

"Household": A single person, family or unrelated persons living together.

"Initial Closing Date": The date by which the Agency has determined that the Sponsor and the Project have met all legal requirements of the Program. As applicable to Projects, an Agency may consider whether the Sponsor and the Project have satisfied the requirements of any other funding sources for the Project.

"Low-Income Household": A Household whose adjusted income is less than or equal to 60% of the median income of the geographical area of the Household's prospective residence, adjusted for family size, as such adjusted income and median income for the geographical area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937 (42 USC 1437).

"Material Participation": An individual or entity that provides personal services to tenants or prospective tenants of a Multifamily Housing Project or rental Single Family Project, or professional services to a Multifamily Housing Project, on a regular, continuous, and substantial basis for more than 300 hours during each year during the Compliance Period. The requirement for Material Participation, as established in Sections 355.206 and 355.310 of this Part, will be satisfied if the Sponsor is the owner, or holds a controlling interest in the entity that is the owner, of the Project; or is the managing general partner, or holds a controlling interest in the entity that is the managing general partner, of a limited partnership that is the owner of the Project; or is the managing member, or holds a controlling interest in the entity that is the managing member, of the limited liability company that is the owner of the Project.

"Members": The Members of the Authority.

"Moderate-Income Household": A Household whose adjusted income is less than 120% of the median income of the geographical area of the Household's Employer-Assisted Housing Project, adjusted for family size, as such adjusted income and median income for the geographical area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937 (42 USC 1437).

"Multifamily Housing Project": An Affordable Housing Project comprised of one or more buildings (other than Single Family Residences) containing an aggregate of five or more rental Units.

"Program": The Illinois Affordable Housing Tax Credit Program.

"Project": An Affordable Housing Project, Employer-Assisted Housing Project, or Technical Assistance.

"Recapture Agreement": The Recapture Agreement to be recorded against a Single Family Residence in connection with a Very Low-Income, Low-Income or, for Employer-Assisted Housing Projects, Moderate-Income Household's purchase of the Single Family Residence.

"Regulatory Agreement": The Illinois Affordable Housing Tax Credit Regulatory Agreement to be recorded against rental Affordable Housing Projects and Employer-Assisted Housing Projects, as applicable.

"Reservation": An Agency's conditional reservation of Affordable Housing Tax Credits for a Sponsor, as may be amended from time to time. A Reservation shall be valid for a period no longer than 12 months from the date of the Reservation Letter unless extended pursuant to Section 355.205(d) of this Part.

"Reservation Letter": The letter from an Agency to a Sponsor conditionally reserving Affordable Housing Tax Credits.

"Section 7.28": Section 7.28 of the Act.

"Single Family Project": An Affordable Housing Project consisting of:

the construction of Single Family Residences; or

the rehabilitation of a 2, 3, or 4 Unit building; upon completion of rehabilitation, the Units are sold or rented; or

the rehabilitation of Single Family Residences, which are then sold or rented; or

the rehabilitation of buildings containing more than 4 Units; upon completion of rehabilitation, the Units are sold as condominiums; or

the financing of Single Family Residences using junior mortgages with a below market interest rate; or

construction subsidies to lower the purchase price of Single Family Residences; or

down payment and closing cost assistance.

"Single Family Residence": A house, condominium, townhouse or other residence used for occupancy by a single Household as its primary residence.

"Sponsor": A not-for-profit organization that is:

organized under the laws of this State or any other state and:

for an Affordable Housing Project, has as one of its purposes the development of affordable housing; or

for an Employer-Assisted Housing Project or Technical Assistance, has as one of its purposes either the development of affordable housing or home ownership education; or

organized for the purpose of constructing or rehabilitating affordable housing Units and has been issued a ruling from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under provisions of the Internal Revenue Code; or

an organization designated as a community development corporation by the United States Government under Title VII of the Economic Opportunity Act of 1964; or

a limited liability company that has a not-for-profit organization as its sole member.

"State": The State of Illinois.

"Technical Assistance": Any cost incurred by a Sponsor for:

planning for a Project; or

assistance with an Application; or

homeownership counseling services provided to prospective purchasers of a Single Family Residence in connection with a Single Family Project or an Employer-Assisted Housing Project.

"Unit": A housing unit contained in an Affordable Housing Project, a Multifamily Housing Project, a Single Family Project, or a Single Family Residence; housing units intended as dormitories, hotels, or transitional or temporary housing do not qualify as Units.

"Very Low-Income Household": A Household whose adjusted income is less than or equal to 50% of the median income of the geographical area of the Household's prospective residence, adjusted for family size, as such adjusted income and median income for the geographical area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937 (42 USC 1437).

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