



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

**m e m o r a n d u m**

**TO:** Mayor Diane Wolfe Marlin and City Council Members

**FROM:** Lorrie Pearson, AICP, Community Development Services Director  
Sheila Dodd, Manager, Grants Management Division

**DATE:** April 1, 2021

**SUBJECT:** **A RESOLUTION APPROVING THE TRANSFER OF VOLUME CAP IN CONNECTION WITH PRIVATE ACTIVITY BOND ISSUES, SINGLE-FAMILY MORTGAGE REVENUE BONDS, AND RELATED MATTERS (Private Bond Cap Allocation – Assist Programs, Series 2021)**

**A RESOLUTION APPROVING THE TRANSFER OF VOLUME CAP IN CONNECTION WITH PRIVATE ACTIVITY BOND ISSUES, SINGLE-FAMILY MORTGAGE REVENUE BONDS, AND RELATED MATTERS (Private Bond Cap Allocation – IHDA, Series 2021)**

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**Introduction**

The Urbana City Council is asked to decide how to allocate the City's Private Activity Bond Cap before May 1, 2021. In the event the City does not allocate its 2021 Private Activity Bond Cap for specific projects or purposes as of May 1, 2021, the unallocated bond cap will be reserved to the Governor's Office on June 1, 2021 (the "Home Rule Pool").

Three requests have been received for the City allocation of bond cap: 1) for specific projects or participating in homebuyer assistance programs offered through the Illinois Assist MCC (Mortgage Credit Certificate) Program, 2) for affordable housing initiatives through the Illinois Housing Development Authority (IHDA), and 3) for affordable housing initiatives in central Illinois through the Eastern Illinois Economic Development Authority (EIEDA). There is also the option to provide bond cap to some combination of the three. Any unused bond cap not ceded for any combination of these programs will automatically be ceded back to the State of Illinois for use by another municipality.

On March 23, 2021, Urbana's Community Development Commission considered the requests and recommended that the City Council provide bond cap to the Illinois Assist MCC Program and Illinois Housing Development Authority.

**Background**

A Private Activity Bond is a tax-exempt bond issued by a local or state government for financing a project owned and operated by a private user. Private Activity Bonds are issued to finance various types of facilities, including multi-family housing projects and single-family dwellings. Private Activity Bonds issued by the City are special obligations and do not constitute a debt or indebtedness of the City and do not give rise to a charge against the general credit or taxing power of the City. A

mortgage credit certificate (MCC) allows qualifying borrowers to receive an annual federal income tax credit on a portion of the annual interest they pay on their mortgage loan. The tax credit enables a taxpayer to subtract the amount of credit from his or her annual total federal income taxes. In order to issue Private Activity Bonds for MCCs, the City must utilize Private Activity Bonds equal to the amount of such bonds or certificates issued.

In accordance with the IRS Code, each municipality in Illinois is allowed to issue Private Activity Bonds at \$110 per capita population (42,046) for 2021. The State of Illinois each year recaptures any bond allocation unused by the City as of May 1 of that year. The City of Urbana has a total of \$4,625,060 in 2021 Private Activity Bond Cap available that can be utilized for:

- 1) Multi-family affordable housing projects
- 2) Nonprofit development projects (e.g., hospitals, YMCAs, etc)
- 3) Industrial development projects (e.g., manufacturing)
- 4) Below-market-rate financing for affordable housing
- 5) Mortgage credit certificates in support of homeownership
- 6) Below-market-rate financing for limited types of industrial developments

In 2020, City Council allocated Private Activity Bonds to the Illinois Assist MCC Program and Illinois Housing Development Authority Affordable Housing Program.

**Requests Received**

Illinois Assist MCC Program Request

The AssistUrbana Homeownership Program was first started under the name of Access Urbana in 1995. Historically, the Assist Homeownership Program has been a program that offers individuals and families 30-year fixed rate FHA/VA/RD mortgage loans or conventional loans at competitive interest rates through participating local lenders. The cash assistance may be used to offset some or all of the down payment and closing costs towards a qualified purchase. The Assist Program was marketed in the past by the City and local lenders through direct mailers, seminars, and media advertising. The Town of Normal will be administering the program for the Illinois Assist MCC Program.

MCC's are a federally authorized program created as an alternative to tax-exempt housing bonds to reduce effective interest costs for qualifying homebuyers. MCC's allow the homebuyer to qualify for a federal income tax credit equal to a percentage of the interest paid on their home loan each year. MCC holders still qualify for a regular deduction of the remaining interest paid on their home loan. In order to qualify for the Assist 2021 Program, participating households are required to meet income and purchase price limits. Homes that meet the program guidelines are new or existing, owner-occupied, single-family dwellings, town houses, and condominiums. Income Limits and Purchase Price Limits applicable to the program are as follows:

Income Limits	Non Targeted Areas:		Targeted Areas:	
	1 or 2 persons	3 or more	1 or 2 persons	3 or more
	\$84,100	\$96,715	\$100,920	\$117,740

Purchase Price Limits	Non Targeted Areas:	Targeted Areas:
	\$294,601	\$360,067

David Rasch, Managing Director of the Assist MCC Program for Stern Brothers & Co., reached out to the City indicating that the housing market this past year has been strong in Urbana and that their lender network is continuing to make first-time homebuyer loans throughout the City. A map of Urbana projects is attached.

#### Illinois Housing Development Authority Bond Cap Request

The Illinois Housing Development Authority is allowed to issue taxable and tax-exempt bonds for the purpose of developing, constructing, acquiring, or improving affordable housing within the State of Illinois. IHDA has invested in several projects in the City of Urbana including Crystal View, Highland Green, and Pinewood.

#### Eastern Illinois Economic Development Authority Bond Cap Request

The Eastern Illinois Economic Development Authority (EIEDA) is allowed to issue taxable and tax-exempt bonds for the purpose of developing, constructing, acquiring, or improving affordable housing within the State of Illinois. EIEDA has invested in housing authority projects in Mattoon and Champaign including the Haven at Market Place; they have no investments in Urbana.

#### **Options**

1. Forward the Resolutions to Cede Private Activity Bond Cap to Assist & Mortgage Credit Certificate (MCC) 2021 Program as part of the consent agenda.
2. Forward the Resolutions to City Council with a recommendation for approval with suggested changes to Cede Private Activity Bond Cap to Assist & Mortgage Credit Certificate (MCC) 2021 Program, IHDA, and EIEDA as part of the consent agenda.
3. Do not forward the Resolutions to City Council and cede Private Activity funds to the State of Illinois.

#### **Fiscal & Programmatic Impacts**

For the Assist 2021 Program, the City would have no liability for bond repayment since the City would not be the bond issuer and all mortgage repayments would be government-insured mortgages. Under the Assist 2021 program, the City could potentially realize an increase in property taxes from new Urbana homebuyers.

There will be no fiscal impact to the City budget in ceding volume bond cap to IHDA, as there would be no financial risk associated with issuing the bonds for the City, and any potential associated risk would be assumed by the issuer. The City may also see benefits from eligible local projects in the future if they are supported with the bond financing provided through IHDA.

There will be no fiscal impact to the City Budget in ceding volume bond cap to EIEDA, as there is no financial risk associated with issuing the bonds for the City, and any potential associated risk is assumed by the issuer. The City may also see benefits from eligible local projects in the future if they are supported with the bond financing provided through EIEDA.

**Recommendation**

At its March 23, 2021 regular meeting, the Urbana Community Development Commission voted unanimously to recommend that the Urbana City Council approve an allocation of the City of Urbana 2021 Private Activity Bond Cap in the following manner: Half (50%) of its allocation in the amount of \$2,312,530 from the City of Urbana to be utilized for the Assist 2021 Program and the other half (50%), \$2,312,530 to Illinois Housing Development Authority to be utilized for possible neighborhood initiatives in the community, such as multi-family affordable housing developments. The Community Development Commission voted to allocate funds to AssistMCC and IHDA based on their investments in the City of Urbana.

**Attachments:**

1. Unapproved Community Development Commission Minutes
2. A Map of Assist Projects
3. 2021 Assist MCC Flyer
4. State of Illinois Guidelines and Procedures for the Allocation of Private Activity Bond Authority 2021

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING THE TRANSFER OF VOLUME CAP  
IN CONNECTION WITH PRIVATE ACTIVITY BOND ISSUES, SINGLE-FAMILY  
MORTGAGE REVENUE BONDS, AND RELATED MATTERS**

**(Private Bond Cap Allocation – Assist Programs, Series 2021)**

**WHEREAS**, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs; and

**WHEREAS**, Section 146 of the Internal Revenue Code of 1986, as amended (“Code”), provides that the Municipality has volume cap equal to \$110 per resident of the Municipality in calendar year 2021, which volume cap may be allocated to certain tax-exempt private activity bonds; and

**WHEREAS**, Sections 6 and 6.1 of the Illinois Private Activity Bond Allocation Act (30 ILCS 345/6 and 6.1) authorize the corporate authorities of any home rule unit, before May 1 of each calendar year, to reallocate all or any portion of its unused volume cap to any home rule or non-home rule unit, the State, or a State agency; and

**WHEREAS**, the City Council, after due consideration, finds that the City’s best interests are served by the transfer a portion of the City’s volume cap allocation for calendar year 2021 to the Town of Normal, McLean County, Illinois (“Issuer”) to be applied toward the issuance of single-family mortgage revenue bonds by the Issuer (“Bonds”) or for such other purpose permitted by this Resolution.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Urbana, Illinois, as follows:

**Section 1.** Pursuant to Sections 6 and 6.1 of the Illinois Private Activity Bond Allocation Act, the City hereby transfers and reallocates \$2,312,530 of its volume cap for calendar year 2021 to the Issuer, which shall issue the Bonds using such transfer of volume cap, without any further action required on the part of the City. The adoption of this Resolution shall be deemed to be an

allocation of such volume cap to the issuance of the Bonds or other private activity bonds, or mortgage credit certificates.

**SECTION 2.** That the Municipality and the Issuer shall maintain a written record of this Resolution in their respective records during the term that the Bonds or any other such bonds to which such volume cap is allocated remain outstanding.

**SECTION 3.** That the Mayor, the City Clerk and all other proper officers, officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Resolution.

**Section 4.** The invalidity of any section or provision of this Resolution hereby passed and approved shall not invalidate other sections or provisions thereof.

**SECTION 5.** That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision of this Resolution shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases and provisions of this Resolution.

**SECTION 6.** That all resolutions or orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded; and that this Resolution shall be in full force and effect upon its adoption and approval.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_day of April, 2021.

AYES:

NAYS:

ABSTENTIONS:

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Phyllis D. Clark, City Clerk

**APPROVED BY THE MAYOR** this this \_\_\_\_day of April, 2021.

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Diane Wolfe Marlin, Mayor

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING THE TRANSFER OF VOLUME CAP IN CONNECTION WITH PRIVATE ACTIVITY BOND ISSUES, SINGLE-FAMILY MORTGAGE REVENUE BONDS, AND RELATED MATTERS**

**(Private Bond Cap Allocation – IHDA, Series 2021)**

**WHEREAS**, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs; and

**WHEREAS**, Section 146 of the Internal Revenue Code of 1986, as amended (“Code”), provides that the Municipality has volume cap equal to \$110 per resident of the Municipality in calendar year 2021, which volume cap may be allocated to certain tax-exempt private activity bonds; and

**WHEREAS**, Sections 6 and 6.1 of the Illinois Private Activity Bond Allocation Act (30 ILCS 345/6 and 6.1) authorize the corporate authorities of any home rule unit, before May 1 of each calendar year, to reallocate all or any portion of its unused volume cap to any home rule or non-home rule unit, the State, or a State agency; and

**WHEREAS**, the City Council, after due consideration, finds that the City’s best interests are served by the transfer a portion of the City’s volume cap allocation for calendar year 2021 to the Illinois Housing Development Authority (“Issuer”), to be applied toward the issuance of single-family or multi-family mortgage revenue bonds (“Bonds”) by the Issuer or for such other purpose permitted by this Resolution.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Urbana, Illinois, as follows:



**Section 1.** Pursuant to Sections 6 and 6.1 of the Illinois Private Activity Bond Allocation Act, the City hereby transfers and reallocates \$2,312,530 of its volume cap for calendar year 2021 to the Issuer, which shall issue the Bonds using such transfer of volume cap, without any further action required on the part of the City. The adoption of this Resolution shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or other private activity bonds, or mortgage credit certificates.

**Section 2.** The Issuer shall maintain written records of this Resolution for the term of all private activity bonds it issues for that calendar year to which such allocation applies.

**Section 3.** The officers, officials, agents, and employees of the City are hereby authorized, empowered, and directed to perform all acts as may be necessary to carry out the purposes and intent of this Resolution.

**Section 4.** The invalidity of any section or provision of this Resolution hereby passed and approved shall not invalidate other sections or provisions thereof.

**Section 5.** All Resolutions or orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded. This Resolution shall be in full force and effect from and after its passage.

**Section 6.** Upon approval of this Resolution, the City Clerk is directed to give notice of the reallocation made herein to the Governor of the State of Illinois pursuant to 30 ILCS 345/6 and the guidelines and procedures promulgated thereunder.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_ day of April, 2021.

AYES:

NAYS:

ABSTENTIONS:

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Phyllis D. Clark, City Clerk

**APPROVED BY THE MAYOR** this this \_\_\_\_ day of April, 2021.

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Diane Wolfe Marlin, Mayor



*UNAPPROVED*

**MINUTES**

**COMMUNITY DEVELOPMENT COMMISSION PUBLIC HEARING AND REGULAR MEETING**

**DATE, Tuesday, March 23, 2021**

**Held virtually via Zoom**

**Public Hearing**

**Call to Order:** Anne Heinze Silvis called to order the Public Hearing on the FY 21/22 Annual Action Plan at 6:07 p.m. Seeing no public comment, Commissioner Silvis closed the public hearing at 6:08 p.m.

**Regular Meeting**

**Call to Order:** Anne Heinze Silvis called the regular meeting of the Community Development Commission to order at 6:09 p.m.

**Roll Call:** Breaden Belcher, Community Development Specialist, called the roll. A quorum was present.

**Commission Members Present:** Anne Heinze Silvis, Chris Diana, Patricia Jones, Rev. Robert Freeman

**Commission Members Excused/Absent:** Abdulhakeem Salaam

**Others Present:** Sheila Dodd, Grants Management Division Manager; Breaden Belcher, Community Development Specialist

**Approval of Minutes:** Commissioner Jones moved to approve the minutes of the February 23, 2021 Meeting, and Commissioner Freeman seconded the motion. The motion carried unanimously.

**Audience Participation:** Chair Person Heinze Silvis stated that audience members could speak if they so wished or after a particular item is presented, no one from the audience stepped forward to speak

**Staff Report:** Grants Management Division Manager Sheila Dodd presented the Staff Report. Staff have been attending trainings on the HOME Investment Partnership Program and other programs. Ms. Dodd also discussed a recent agreement between the City of Urbana and Champaign County Healthcare Consumers. The City provided \$40,000 to the organization in

order to support the services they provide. Ms. Dodd stated that no action was required on the part of the Commission in this matter.

**Old Business:** Commissioners resumed discussion of FY 21/22 priorities for Consolidated Social Service funding that was tabled from the previous month's meeting. Commissioner Diana proposed three priorities for the upcoming fiscal year: youth services, senior services, and homeless services. Commissioner Diana moved to accept these priorities and Commissioner Jones seconded. No further discussion was presented and a roll call vote was called. The motion passed unanimously.

### **New Business**

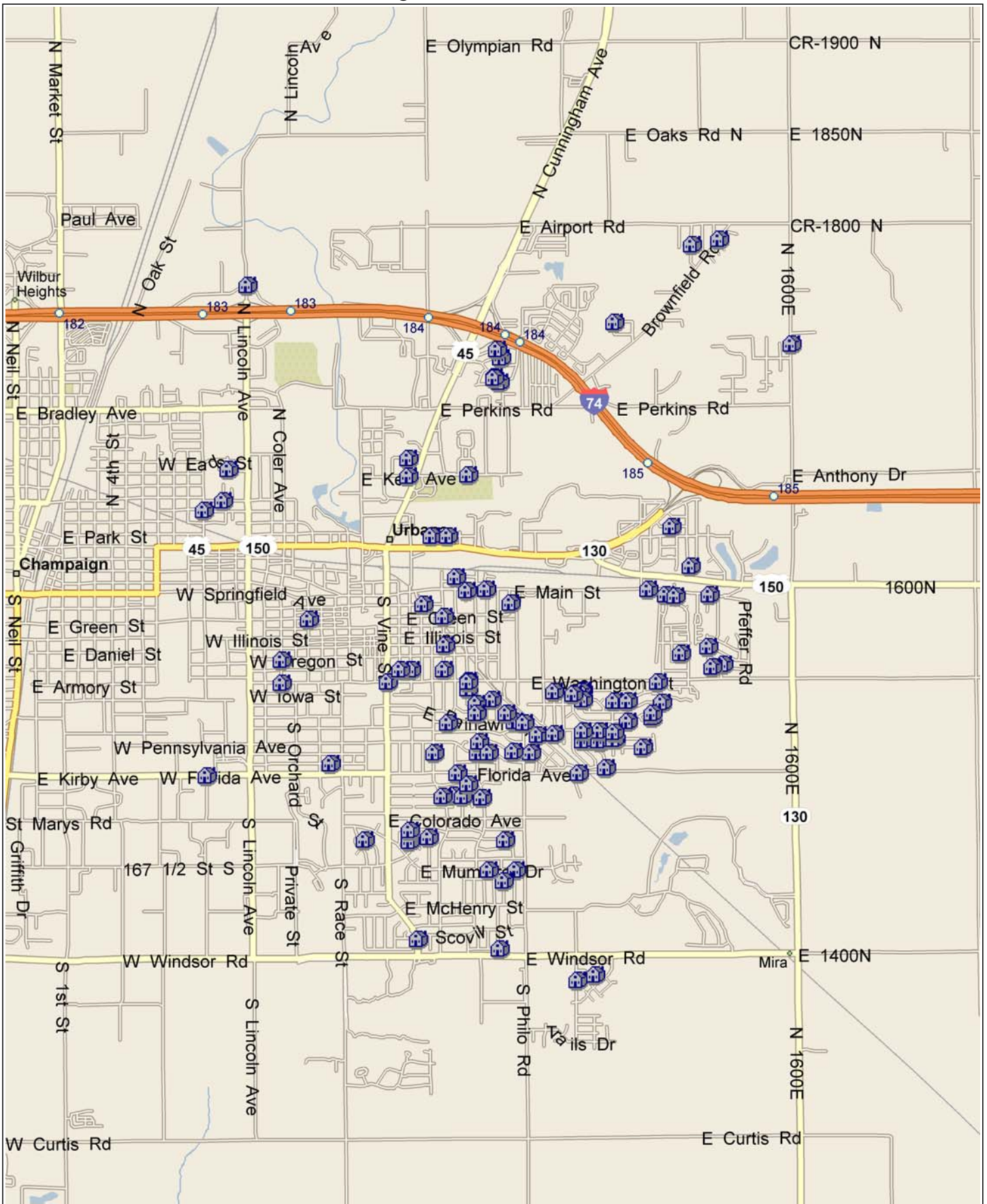
**Senior Repair Program:** Ms. Dodd presented a resolution for the City to enter into a sub-recipient agreement with the Champaign County Regional Planning Commission Community Services Division to implement a Senior Minor Home Repair Program. The agreement is for two years in the amount of \$40,000. Ms. Dodd expressed that the CCRPC-Community Services Division is better equipped to manage this program than the City, and Commissioners agreed with this assessment. Commissioner Jones moved to forward the Resolution to City Council with a recommendation for approval as part of the consent agenda. Commissioner Diana seconded. A roll call vote was called and the resolution passed unanimously.

**2021 Private Activity Bond Cap:** The Community Development Commission will make a recommendation to the Urbana City Council regarding the use of City's 2021 Private Activity Bond Cap. Ms. Dodd explained that three requests were received for the City allocation of bond cap including reserving the bond cap for specific projects or participating in homebuyer assistance programs offered through the Illinois Assist MCC (Mortgage Credit Certificate) Program, reserving the bond cap for affordable housing initiatives through the Illinois Housing Development Authority (IHDA), and/or Eastern Illinois Economic Development Authority (EIEDA) for affordable housing initiatives in central Illinois or some coordination thereof. Any unused bond cap not ceded for any combination of these programs will automatically be ceded back to the State of Illinois for use by another municipality. Staff recommended that 50% of its allocation in the amount of \$2,312,530 be utilized for the Assist 2021 Program and the other half (50%), \$2,312,530 to Illinois Housing Development Authority to be utilized for possible neighborhood initiatives in the community, such as multi-family affordable housing developments. Commissioner Jones moved to forward this recommendation to City Council. Commissioner Diana seconded. No further discussion was presented. A roll call vote was called and the motion was approved unanimously.

**Adjournment:** Seeing no further business, Ms. Heinze Silvis adjourned the meeting at 6:33 p.m.

Recorded by Breaden J. Belcher  
Community Development Specialist

# Assist Originations in Urbana, Illinois





Utilizing a two-pronged approach to assist homebuyers, the program is sponsored by communities throughout the state to promote home ownership. The home buyer assistance feature of the Assist program provides families with funds to pay all or most of their closing costs and down payment, enabling families with good credit but little available capital to buy their home. The mortgage credit certificate (“MCC”) feature reduces the homebuyer’s ongoing cost of borrowing whenever market conditions result in uncompetitive interest rates for loans funded in the tax-exempt bond market.

### Overview

- Communities join together through an Inter-governmental Cooperation Agreement
- Home rule communities may contribute private activity bond volume cap to support either a tax-exempt bond issuance or the MCC feature
- Non-home rule communities apply for volume cap from the State
- No financial contribution or commitment required from any participant
- Any Illinois municipality can participate

### Loan Funding

- Loans are funded with proceeds of tax-exempt bonds or through the direct sale of taxable mortgage-backed securities based on the sale method providing the lowest interest rate
- The bonds and securities are sold at a premium, a price greater than their face amount, which provides funding for the home buyer assistance
- Proceeds are used to make the home loans and fund the assistance
- The bonds and securities are not a debt of the municipalities or paid from any participating community’s funds, and are secured only with loans on the homes purchased

### Loan Description

- 30 year fixed rate loans
- FHA/VA/RDA (640 minimum credit score) and Conventional (660 minimum credit score) loans are available
- Assist pays 3% to 7% cash grant to qualifying home buyers to fund closing costs and down payment assistance.

### Qualifying Homebuyers

- Will occupy the home as their residence
- Meet income and purchase price guidelines

### Mortgage Credit Certificates

- MCC's are a federally authorized program created as an alternative to tax-exempt housing bonds to reduce effective interest costs for qualifying homebuyers
- MCC's allow the homebuyer to qualify for a federal income tax credit equal to a percentage of the interest paid on their home loan each year
- MCC holders still qualify for a regular deduction of the remaining interest paid on their home loan

	Without MCC	With MCC
<b>Mortgage Amount</b>	\$100,000	\$100,000
<b>Mortgage Interest Rate</b>	4.50%	4.50%
<b>Monthly Mortgage Payment</b> (first year interest = \$4,467.00)	\$506.69	\$506.69
<b>MCC Rate</b>	N/A	35%
<b>Monthly Credit Amount (First Year Average)</b> (35% of \$4,467.00 is first year credit)	N/A	\$130.29
<b>"Effective" Monthly Mortgage Payment</b>	\$506.69	\$376.40

### Assist Advantages

- Provides additional home ownership opportunities in each community
- Home ownership provides added stability in a community
- Serves the large segment of potential home buyers who qualify for loans but lack funds for a down payment and closing costs
- Strategic alliance with lenders throughout the state
- Customized marketing in each municipality
- No out-of-pocket expense to any community to participate





## INCOME AND PURCHASE PRICE LIMITS

COUNTY NAME	INCOME LIMITS				PURCHASE PRICE LIMITS	
	Targeted		Non-Targeted		Targeted	Non-Targeted
	1 or 2 People	3 or More People	1 or 2 People	3 or More People		
<b>BOONE</b>	NA	NA	\$84,100	\$96,715	NA	\$301,252
<b>COOK</b>	\$109,200	\$127,400	\$91,000	\$104,650	\$399,400	\$326,782
<b>CHAMPAIGN</b>	\$100,920	\$117,740	\$84,100	\$96,715	\$360,067	\$294,601
<b>DEKALB</b>	\$100,920	\$117,740	\$84,100	\$96,715	\$399,400	\$326,782
<b>DUPAGE</b>	NA	NA	\$91,000	\$104,650	NA	\$326,782
<b>KANE</b>	\$109,200	\$127,400	\$91,000	\$104,650	\$399,400	\$326,782
<b>KENDALL</b>	NA	NA	\$107,300	\$123,395	NA	\$326,782
<b>LAKE</b>	\$109,200	\$127,400	\$91,000	\$104,650	\$399,400	\$326,782
<b>MADISON</b>	\$100,920	\$117,740	\$84,100	\$96,715	\$360,067	\$294,601
<b>McLEAN</b>	\$114,360	\$133,420	\$95,300	\$109,595	\$360,067	\$294,601
<b>ST. CLAIR</b>	\$100,920	\$117,740	\$84,100	\$96,715	\$360,067	\$294,601
<b>SANGAMON</b>	\$100,920	\$117,740	\$84,100	\$96,715	\$360,067	\$294,601
<b>WILL</b>	\$109,200	\$127,400	\$91,000	\$104,650	\$399,400	\$326,782
<b>WINNEBAGO</b>	\$100,920	\$117,740	\$84,100	\$96,715	\$368,196	\$301,252
<b>OTHER PROGRAM AREAS</b>	\$100,920	\$117,740	\$84,100	\$96,715	\$360,067	\$294,601





## **PARTICIPATING COMMUNITIES**

**City of Aurora**  
**Village of Arlington Heights**  
**Village of Bartonville**  
**City of Belleville**  
**City of Belvidere**  
**Village of Bridgeview**  
**City of Champaign**  
**City of Charleston**  
**City of Collinsville**  
**City of Crest Hill**  
**Village of Creve Coeur**  
**City of Decatur**  
**City of East Moline**  
**City of East Peoria**  
**City of Edwardsville**  
**Village of Godfrey**

**City of Joliet**  
**Village of Justice**  
**City of LaSalle**  
**City of Lockport**  
**City of Loves Park**  
**Village of Machesney Park**  
**Village of Marquette Heights**  
**City of Mattoon**  
**Village of Mendota**  
**Village of Minooka**  
**Village of Montgomery**  
**City of Naperville**  
**Town of Normal**  
**City of Pekin**  
**City of Peoria**  
**Village of Peoria Heights**

**City of Peru**  
**Village of Plainfield**  
**City of Princeton**  
**City of Rochelle**  
**City of Rockford**  
**Village of Rockton**  
**Village of Romeoville**  
**Village of Schaumburg**  
**Village of Shorewood**  
**City of South Beloit**  
**City of Springfield**  
**City of Urbana**  
**City of Washington**  
**City of Wood River**  
**Village of Yorkville**

**County of Boone**  
**County of Champaign**  
**County of Coles**  
**County of Cook**  
**County of DeKalb**  
**County of Kankakee**  
**County of Kendall**  
**County of Lake**  
**County of Macon**  
**County of Madison**  
**County of McLean**  
**County of Ogle**  
**County of Peoria**  
**County of Rock Island**  
**County of Tazewell**  
**County of Winnebago**

# STATE OF ILLINOIS



## GUIDELINES AND PROCEDURES

FOR THE

ALLOCATION OF PRIVATE ACTIVITY BONDING AUTHORITY

IN ACCORDANCE WITH THE TAX REFORM ACT OF 1986

AND 30 ILCS 345

OFFICE OF THE GOVERNOR

*Effective January 1, 2021*

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Questions regarding these guidelines and procedures may be directed to the Capital Markets Unit of the Governor's Office of Management and Budget at (312) 814-0023.

## INTRODUCTION

The Federal Tax Reform Act of 1986 (the “Code”) as amended, imposes a limit on the aggregate amount of “tax exempt private activity” bonds (also known as “Volume Cap”) that can be issued by a state.. While the Code provides an allocation scheme for specific issuing authorities, it also provides that a state may, by law, provide a different formula for allocating the State ceiling among the governmental units in the State having authority to issue such bonds. The State of Illinois (“the State”) has adopted procedures for the allocation of Volume Cap pursuant to the Illinois Private Activity Bond Allocation Act, 30ILCS 345 (the “Illinois Allocation Act”).

The Governor’s Office is the entity charged with authority to allocate Volume Cap among the political subdivisions within the State. In the event of conflict between the Code and Illinois Allocation Act and these “2021 Guidelines and Procedures” (the “Guidelines”), the Code and the Illinois Allocation Act shall control. Any matters not covered by the Code or the Illinois Allocation Act or the Guidelines shall be decided by the Governor’s Office, and the Governor’s Office reserves the right to amend the Guidelines at any time.

These Guidelines are provided by the Governor’s Office to assist issuers in understanding how the allocation formula will be administered. They do not represent a binding legal interpretation of either the Code or the Illinois Allocation Act. The Governor’s Office will not make a legal determination of the applicability of the Code to an issuer nor will it determine an issuer’s compliance under the Code. Issuers should consult their own legal counsel to make these determinations.

The Guidelines require certain issuers to submit requests to the Governor’s Office for allocations of Volume cap. In addition, they require issuers within the State to report on reallocations and their use of Volume Cap.

**PLEASE NOTE – ALL REQUESTS AND REPORTING SUBMISSIONS, AS DESCRIBED HEREIN, MUST BE SUBMITTED IN BOTH (i) HARD AND (ii) ELECTRONIC FORMATS (ADOBE ACROBAT “PDF”) TO THE FOLLOWING ADDRESSES:**

### **HARD COPY SUBMISSIONS TO:**

**Governor’s Office of Management and Budget  
Capital Markets Unit– Volume Cap Submission  
JRTC, 100 W Randolph Street – Suite 15-100  
Chicago, IL 60601  
Attn: Sophia Ronis**

### **ELECTRONIC (PDF) SUBMISSIONS TO:**

**[OMB.VolumeCapRequest2021@illinois.gov](mailto:OMB.VolumeCapRequest2021@illinois.gov)**

Please indicate the (i) name, (ii) status of your organization (Home Rule, Non-Home Rule or State Agency) and (iii) type of submission (either a “REPORT” or a “REQUEST”) in the “SUBJECT” line of your submission e-mail. Please include the following information for a primary and secondary contact person in the body of each electronic submission (email):

Name  
Title  
Department/Division  
Phone Number  
Email address

**IMPORTANT NOTE – The time and date stamp of the email will be used for the purpose of determining the order in which the submissions are received unless otherwise noted herein.**

## Calendar Year 2021 State Ceiling and Allocations

### 2021 State Ceiling – Background and Calculation

Section 146 of the Code limits the amount of qualified private activity bond debt that may be issued in a state during a calendar year (“the State Ceiling”). Section 146(d) of the Code was amended by H.R. 5662, the “Community Renewal Tax Relief Act of 2000 (the “CRTF Act”),” to specify that beginning in calendar year 2002 the limit shall be the greater of \$75 multiplied by a state’s population or \$225 million. The CRTF Act further specifies that beginning in calendar year 2003 the volume limit may be adjusted annually for inflation. Pursuant to Revenue Procedure 2008-66 published by the Internal Revenue Service, the volume limit on qualified private activity bonds adjusted for inflation for calendar year 2021 is (\$110 multiplied by the state’s population).

Section 146(j) of the Code further requires that the calculation of the State Ceiling be based on the most recent resident population estimate released by the U. S. Bureau of the Census before the beginning of the calendar year. On December 30, 2019, the Population Division of the U.S. Census Bureau issued “Table 1: Annual Estimates of the Population for the United States, Regions, States, and Puerto Rico: April 1, 2000 to July 1, 2020 (NST-EST2020-01)” which reports Illinois’s estimated population as **12,587,530**.

Illinois 2021 State Ceiling is **\$1,384,628,300.00** (\$110 x **12,587,530**).

### Allocations

Pursuant to the Statute, the table below denotes the initial allocation of the 2021 State Ceiling.

Home Rule Units	\$ 889,342,300.00
Non-Home Rule Units	247,643,000.00
State Agencies/Authorities	247,643,000.00
Total	<b>\$1,384,628,300.00</b>

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# HOME RULE UNITS

## Allocation

### *January 1 Benchmark*

As described in “2021 State Ceiling – Background and Calculation” above, each Home Rule community is allocated an amount equal to (\$110 multiplied by its population and Cook County, as a Home Rule county, is allocated an amount equal to \$110.00 multiplied by the population of its unincorporated area). Based on the most recent US Census estimates the total amount for all Home-Rule units has been determined to be \$889,342,300.00. Appendix C attached identifies the list of Home Rule units and the population count used by the Governor’s Office for the volume cap allocation. Special census estimates or other estimates for individual municipalities are not recognized by the Governor’s Office.

During the period from January 1, 2021 through May 1, 2021 Home Rule units may not apply to the State for an allocation under the Illinois Allocation Act. Rather, Home Rule units must determine and monitor their own private activity bond limits as provided in the Illinois Allocation Act. Please see reporting requirements detailed below in “Home Rule Reporting”.

### *June 1 Benchmark*

Of the total amount available to each Home Rule unit of government with less than 2,000,000 inhabitants, the amount that has not been granted, transferred, or reserved by Home Rule units for specific projects or purposes as of May 1, 2021, shall be reserved to the Governor’s Office on June 1, 2021 (the “home Rule Pool”). From the period of June 1 through July 15, 2021, one-half of the Home rule Pool will be available to all Home Rule units with less than 2,000,000 inhabitants (the remaining half is available for allocation to the State or State Agencies as herein after described).

The Governor’s Office will accept Home Rule units’ requests for volume cap from the Home Rule Pool beginning on the first State business day on or after June 1, 2021. Requests will be accepted, via the methods described on page 3, only on or after 8:30 a.m., June 1, 2021. No requests can or will be accepted prior to this date and time. **On the first date that applications may be received all applications received between 8:30am and 5pm on such date shall be deemed equally first in line and the Governor’s Office shall grant cap as it may determine. If more than one request is received in a day, other than the first day that applications may be submitted, completed requests will be logged in by the time the electronic submission is received, and processed on a first-come, first-granted basis.**

If a determination is made that there is a sufficient amount of allocation remaining in the Home Rule Pool upon a request made, an allocation approval letter will be sent to the applicant. The approval letter will be mailed by first class U.S. Mail to the signatory of the application letter Express mail will be used upon request and at the issuer’s expense. The allocation is valid for a period of 60 calendar days from the date of the letter or December 28 of the year of the allocation. This period is set by Illinois Allocation Act and cannot be extended.

### *July 15 Benchmark*

On and after July 15, 2021, the amount of the unused allocation from the Home Rule Pool shall be available to both Home Rule units of government (with less than 2,000,000 inhabitants) and to State agencies. Requests submitted prior to July 15 that are not completely fulfilled must be re-filed after July 15 if cap still is requested.

The Governor's Office will accept Home Rule units' requests for volume cap from the Home Rule pool beginning on the first State business day on or after July 15, 2021. Requests will be accepted, via the methods described on page 3, only on or after 8:30 a.m., July 15, 2021. No requests can or will be accepted prior to this date and time. **On the first date that applications may be received all applications received between 8:30am and 5pm on such date shall be deemed equally first in line and the Governor's Office shall grant cap as it may determine. If more than one request is received in a day, other than the first day that applications may be submitted, completed requests will be logged in by the time the electronic submission is received, and processed on a first-come, first-granted basis.**

**Please Note –**

- A completed "Allocation Request Letter" (Appendix A) and a copy of an "Official action", as defined in the Statute, must accompany all request submissions (June 1 or July 15). A submission will not be deemed complete unless a copy of Official action is included in the transmittal.
- No Home Rule unit may be granted more than 10% of the amount of total allocation initially available for Home Rule units for a single project. Home Rule units may submit separate requests for multiple projects. Requests must be for specific projects, not general use. Requests will be processed only for allocation to be used directly by the requesting Home Rule unit. Joint requests from more than one unit or requests from one unit for allocation that will also be used by other units of government will not be considered. Once an allocation is given to a specific unit, the Governor's Office will not object if units pool their allocations and join together in a bond issue as advised by legal counsel.
- The allocation approval letter to Home Rule units of government is valid for a period of 60 calendar days from the date of the letter or through December 31, 2021, whichever date comes first. If an issuer's allocation has expired, it may apply for a new allocation if allocation is still available. Such application will be processed by the Governor's Office in the same manner as any other new application.
- The State, a State agency or Home Rule unit may reallocate all or a portion of its ORIGINAL allocation to a Home Rule Unit, the State, a State agency or a Non Home Rule Unit of local government. Home Rule units may reallocate by official action of their governing body only as to volume cap reserved prior to May 1, 2021. Home Rule units MAY NOT reallocate any allocation granted by the Governor's Office after June 1. Please see "REALLOCATION PROVISIONS" for further details.

## Home Rule Reporting

### *Confirmation of Issuance*

Pursuant to Section 7 of the Illinois Allocation Act, any Home Rule unit utilizing Volume Cap (regardless of its source) is required to report, within 10 calendar days of issuance, the following:

- (a) Name of the Issuer;
- (b) Principal amount of the issue;
- (c) Purpose for which the private activity bonds were issued;
- (d) The amount, if any, used to refund any prior issue of private activity bond; and
- (e) IRS 8038

A form of the “Confirmation of Bond Issuance” letter is provided in Appendix A.

If the amount of bonds issued as stated in the confirmation letter is less than the amount approved for allocation for that project, the amount of unused allocation shall be added to the remaining pool allocation available. This “lapsed” volume cap will be offered first to all issuers who have requested volume cap whose requests were not completely fulfilled, in the order that such requests were initially filed. If more than one request was initially filed at the same time, the order of filing will be randomly assigned for purposes of offering lapsed cap. Volume cap is not considered lapsed unless the issuer or issuer’s representative states in writing that all or a portion of the cap will not be used.

### *Mid-Year Reporting*

No later than May 10, 2021, each Home Rule unit with less than 2,000,000 inhabitants must report to the Governor’s Office in writing on volume cap (i) granted, (ii) transferred, or (iii) reserved by official action of the unit’s governing body prior to May 1, 2021. The form described in Appendix A is provided for this purpose – “Report of Allocation Granted by Home Rule”.

Once Volume Cap is properly reserved by a Home Rule unit prior to May 1, 2021, the Governor’s Office will not object to the subsequent transfer or reallocation of such cap, or filing of a carry-forward of such volume cap, and no notice to the Governor’s Office of any such subsequent action is required. {Please note, however, that Home Rule units must provide notice to the Governor’s office, as provided in Section 6 of the Illinois Allocation Act, within fourteen days of said reallocation.}

**Please Note - Copies of “Official Action”, as defined in the Illinois Allocation Act, must accompany this reporting submission. Submission will not be deemed complete unless a copy of Official Action is included with the submissions.**

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## NON-HOME RULE UNITS

### Allocation Requests

#### *January 1 Benchmark*

The 2021 allocation of Volume Cap available on or after January 1, 2021 to be issued by Non-Home Rule units of local government is expected to be \$247,643,000.00. Non-Home Rule units are defined as municipalities or counties, other than Home-Rule units. All other forms of government, such as local water districts or airport authorities, must apply for Volume Cap as a State Agency.

The Governor's Office will accept Non-Home Rule units' requests for Volume Cap from the Local Government Pool beginning on the first State business day on or after January 1, 2021 (January 2, 2021). Requests will be accepted, via the methods described on page 3, only on or after 8:30 a.m., January 2, 2021. No requests can or will be accepted prior to this date and time. **On the first date that applications may be received all applications received between 8:30am and 5pm on such date shall be deemed equally first in line and the Governor's Office shall grant cap as it may determine. If more than one request is received in a day, other than the first day that applications may be submitted, completed requests will be logged in by the time the electronic submission received, and processed on a first-come, first-granted basis.**

If a determination is made that there is a sufficient amount of allocation remaining in the total available allocation, an allocation approval letter will be sent to the applicant. The approval letter will be mailed by first class U.S. Mail to the signatory of the application letter. Express mail may be used upon request and at the issuer's expense.

#### *July 15 Benchmark*

Of the total amount allocated to Non-Home Rule units, the amount of remaining allocation as of July 14, 2021 (the "Non-Home Rule Pool") shall be reserved to the Governor's Office on July 15, 2021 to be allocated to the State, State agencies or Non-Home Rule units as described in the Illinois Allocation Act. Requests submitted prior to July 15 that are not completely fulfilled must be re-filed on or after July 15 if volume cap is still requested.

The Governor's Office will accept Non-Home Rule units' requests for Volume Cap from the Non-Home Rule Pool beginning on the first State business day on or after July 15, 2021. Requests will be accepted, via the methods described on page 3, only on or after 8:30 a.m., July 15, 2021. No requests can or will be accepted prior to this date and time. **On the first date that applications may be received all applications received between 8:30am and 5pm on such date shall be deemed equally first in line and the Governor's Office shall grant cap as it may determine. If more than one request is received in a day, other than the first day that applications may be submitted, completed requests will be logged in by the time the electronic submission is received, and processed on a first-come, first-granted basis.**

#### Please Note –

- A completed "Allocation Request Letter" (Appendix A) and a copy of an "Official Action", as defined in the Illinois Allocation Act, must accompany all request submissions (January 1 or July 15). A submission will not be deemed complete unless a copy of Official Action is included in the transmittal.
- No Non-Home Rule unit may be granted more than 10% of the amount of total allocation initially available to units of local government for a single project. Non-Home Rule units may submit separate requests for multiple projects. Requests must be for specific projects, not general use. Non-Home Rule units do not have power under statute to transfer or reallocate cap to other Non-Home Rule or Home-Rule units. Requests may be made only for cap that will be used within the Non-Home Rule unit's jurisdiction, as evidenced by such

documentation or evidence as the Governor's Office shall request. Letters of intent from lenders shall be deemed prima facie evidence. Units planning to pool their allocations must certify their intent to comply with this section in their request letter.

- **The allocation approval letter is valid for a period of 60 calendar days from the date of the letter. This period is set by the Illinois Allocation Act and cannot be extended.**
- **Pursuant to Section 6 of Illinois Allocation Act, a Non-Home Rule unit IS NOT AUTHORIZED TO REALLOCATE all or any unused portion of its allocation. Direct and indirect reallocations by Non-Home Rule Units are strictly prohibited. This prohibition is discussed more fully in the “Reallocation Provisions” of these Guidelines.**
- **The proceeds from bonds utilizing Volume Cap allocated to a Non-Home Rule unit pursuant to these Guidelines must be used within the jurisdiction of the Non-Home Rule unit.**

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## **Non-Home Rule Reporting**

### *Confirmation of Issuance*

Pursuant to Section 7 of the Illinois Allocation Act, Non-Home Rule units are required to report, within 10 calendar days of issuance, the following:

- (a) Name of the Issuer;
- (b) Principal amount of the issue;
- (c) Purpose for which the private activity bonds were issued;
- (d) The amount, if any, used to refund any prior issue of private activity bond; and
- (e) IRS 8038

A form of the “Confirmation of Bond Issuance” letter is provided in Appendix A.

If the amount of bonds issued as stated in the confirmation letter is less than the amount approved for allocation for that project, the amount of unused allocation shall be added to the remaining pool allocation available. This “lapsed” volume cap will be offered first to all issuers who have requested volume cap whose requests were not completely fulfilled, in the order that such requests were initially filed. If more than one request was initially filed at the same time, the order of filing will be randomly assigned for purposes of offering lapsed cap. Volume cap is not considered lapsed unless the issuer or issuer’s representative states in writing that all or a portion of the cap will not be used.

### *Annual Reporting of Housing Projects*

The Illinois Allocation Act requires Non-Home Rule units to provide an annual report of all private activity bonds issued for any housing purposes which utilizes volume cap allocated by the State. Details on the reporting requirement can be located in the Section 7.5 of the Illinois Allocation Act. A form to aid reporting has been provided in Appendix B to these Guidelines. Calendar Year 2021 submissions are to be sent via the instructions set forth on page 3 of these Guidelines by February 1, 2021. An additional copy of this report only must also be submitted to the Illinois Housing Development Authority (“IHDA”) at the following address:

Illinois Housing Development Authority  
Attention: General Counsel  
401 North Michigan Avenue  
Chicago, IL 60611

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## STATE AGENCIES

### Allocation Requests

For calendar year 2021 there is expected to be \$247,643,000.00 for use by State Agencies, (the “State Agency Pool”), defined as any State agency, commission, board, authority, or body politic and corporate of the State authorized by law to issue Private Activity Bonds, other than a Non-Home Rule or Home-Rule unit.

The Governor’s Office may allocate among all State agencies from the State Allocation Pool available after January 2, 2021. In addition, State agencies may apply beginning on or after the first State business day after June 1, 2021 for the allocation retained by the Governor’s Office from the Home-Rule Pool and beginning on or on July 15, 2021 for the allocation retained, if any, from the Non-Home Rule Pool. Requests submitted prior to June 1 which are not completely fulfilled and requests submitted prior to July 15 which are not completely fulfilled must be re-filed after July 15 if cap from the Non-Home Rule pool is requested. Please see “HOME RULE” and “NON-HOME RULE” sections for submission procedures.

### Please Note-

- **Requests will be processed only for allocation to be used directly by the requesting State agency. Requests may be requested and granted on a lump-sum by private activity bond category or individual project basis as the Governor’s Office may determine. Joint requests from more than one State agency or units of government or requests from one State agency for an allocation that will be used by other units of government will not be considered. Once an allocation is given to a specific State agency, the Governor’s Office will not object if units pool their allocations and join together in a bond issue as advised by legal counsel.**
- **State agencies may submit requests for allocations of any amount. The 10% limit does not apply to State Agencies**
- **The Governor’s Office may consult with State agencies prior to submission of their allocation requests and determine the amount of allocation that shall be requested and approved. The allocation shall be valid through the end of the calendar year.**
- **State agencies may reallocate their unused allocation in the manner described in “REALLOCATION PROVISIONS” with the approval of the Governor’s Office. A State agency that issues bonds after receiving a reallocation from a Home-Rule unit or another State agency shall submit the information described in the “Reporting” section below.**
- **State agencies also may file a carry-forward of an allocation remaining at the end of one calendar year to the next under certain circumstances, with the approval of the Governor’s Office. Issuers should consult their legal counsel with respect to the applicability of this provision to their circumstances**

## **State Agency Reporting**

### *Confirmation of Issuance*

Pursuant to Section 7 of the Illinois Allocation Act. State Agencies are required to report, within 10 calendar days of issuance, the following:

- (a) Name of the Issuer;
- (b) Principal amount of the issue;
- (c) Purpose for which the private activity bonds were issued;
- (d) The amount, if any, used to refund any prior issue of private activity bond; and
- (e) IRS 8038

A form of the “Confirmation of Bond Issuance” letter is provided in Appendix A.

If the amount of the bonds issued as stated in the confirmation letter is less than the amount approved for allocation for that project, the unused allocation amount shall be retained by the State Agency unless otherwise directed by the Governor’s Office.

### *Annual Reporting of Housing Projects*

Pursuant to the Illinois Allocation Act, State Agencies are required to provide an annual report of all private activity bonds issued for any housing purposes which utilizes volume cap allocated by the State. Details on the reporting requirement can be located in Section 7.5 of the Illinois allocation Act and a form has been provided in Appendix B for submission. Calendar Year 2021 Submissions are to be sent via the instruction set forth on page 3 of these guidelines by February 1, 2021. An additional copy of this report only must also be submitted to the Illinois Housing Development Authority (“IHDA”) at the following address:

Illinois Housing Development Authority  
Attention: General Counsel  
401 North Michigan Avenue  
Chicago, IL 60611

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## **REALLOCATION PROVISIONS**

### Reallocations by the State, a State Agency or a Home Rule Unit

The State, any State Agency or Home Rule unit may voluntarily reallocate to any Non-Home Rule unit of local government, Home-Rule unit, the State or any State agency all or any portion of its unused allocation. {The State Agency or Home Rule unit reallocating all or a portion of its unused allocation must provide notice to the Governor's office within fourteen days of said reallocation.}

Consistent with the Illinois Allocation Act and these guidelines, entities that issue private activity bonds on the basis of reallocations must submit to the Governor's Office written evidence of such reallocation and a confirmation of bond issuance letter within ten calendar days from the date the bonds are issued.

### Reallocations by a Non-Home Rule Unit Are Prohibited

Non-Home Rule units may not reallocate to any issuer. This prohibition applies to direct reallocations and to reallocations attempted via an intergovernmental or other agreement. Allocations made to Non-Home Rule units pursuant to the Illinois Allocation Act and these Guidelines may not be used in an issuance by another governmental entity on behalf of the Non-Home Rule unit or as a surrogate for the Non-Home Rule unit via an intergovernmental or other agreement.

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# **APPENDIX A**

## **STANDARD FORM OF LETTERS**

(Letterhead of Signatory)

**ALLOCATION REQUEST LETTER  
FROM ALL ISSUERS**

(Date)

Office of the Governor  
Governor's Office of Management and Budget  
100 W. Randolph Street – Suite 15-100  
Chicago, IL. 60601

Attn: Sophia Ronis

ATTENTION: Debt Management Unit

RE: Issuer: \_\_\_\_\_  
Type: (Home-Rule, Non-Home Rule or State agency)  
Maximum Principal Amount: \_\_\_\_\_  
Bond Description: (project, beneficiary, location, type/category of bonds)

Dear Governor J B Pritzker:

In accordance with the Tax Reform Act of 1986 as passed by 99th Congress 2nd Session (1986), as amended, and *30 ILCS 345*, the (name of issuer) respectfully requests an allocation for the above-captioned private activity bonds. In preparation for this bond issue to date, all applicable Federal and State requirements have been complied with. A copy of the inducement resolution or similar official action for this issue has been attached herewith.

[(The following is required only of Non-Home Rule units which expect to join other units in a single bond issue as described in the guidelines): I hereby certify that (name of issuer) intends to comply with requirements set forth in the Governor's Office guidelines and will not transfer or reallocate any cap received from the Governor's Office to other Non-Home Rule or Home-Rule units and will use the cap only within our jurisdiction.]

I hereby certify under penalty of perjury, that to the best of my knowledge, the issuance of the Private Activity Bond was or will not be made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

Please forward the allocation approval letter to the undersigned [or to: \_\_\_\_\_]. Bond counsel for these bonds [is expected to be \_\_\_\_\_, who may be reached at [phone number]] [has not yet been selected].

Sincerely,

(Name of issuer)

\_\_\_\_\_  
(Signature of authorized public official)

(Title)

(Phone number)

[Note: The Bond description cannot be materially changed after submission.]



(Governor's Letterhead)

**BOND ALLOCATION APPROVAL LETTER**

(Date)

Allocation Number (our assigned number)

(Name of issuer)

Attention: (Name of Official)

Re: Issuer: \_\_\_\_\_  
Type: (Home-Rule, Non-Home Rule or State agency)  
Maximum Principal Amount: \_\_\_\_\_  
Bond Description: (project, beneficiary, location, type/category of bonds)

Ladies and Gentlemen:

In accordance with the Tax Reform Act of 1986, as amended, and *30 ILCS 345*, the above-captioned Issuer has requested an allocation for Private Activity Bonds with respect to the above-captioned bonds. In support of this request, I have been presented with the resolution duly adopted by the Issuer or similar official action with respect to the above-captioned bonds.

I hereby allocate \$\_\_\_\_\_ of the State's 2021 maximum limit on private activity bonds to the above-captioned Issuer.

Pursuant to Section 6 of the Illinois Private Activity Bond Allocation Act, this allocation is only valid if:

- (1) the proceeds from the bonds (the "Bonds") utilizing the bond volume cap are to originate single family mortgages to finance the purchase of homes located within the jurisdiction of the unit local government applying for the bond volume cap, or the costs associated therewith, or, if not so used, applied to redeem the Bonds; and
- (2) the unit of local government is the Issuer of the Bonds.

"Issuer" as used herein is the entity named on the Bonds and obligated for the repayment of the Bonds and does not include an entity for whom bonds have been issued by another party via an intergovernmental or other agreement.

This allocation is valid through and including \_\_\_\_\_. If the above-captioned bonds have not been issued by said date this allocation automatically expires and is available for reallocation.

Sincerely,  
J B PRITZKER

Governor

(Letterhead of Signatory)

**CONFIRMATION OF BOND ISSUANCE  
TO BE PROVIDED BY ISSUER**

(Date) [Within 10 calendar days of issuance]

Allocation Number: (assigned by us in the allocation approval letter)

Office of the Governor  
Governor’s Office of Management and Budget  
100 W. Randolph Street – Suite 15-100  
Chicago, IL. 60601  
Attn: Sophia Ronis

ATTENTION: Debt Management Unit

Re: Issuer: \_\_\_\_\_  
Type: (Non Home-Rule, Home-Rule or State agency)  
Date of Issuance: \_\_\_\_\_  
Principal Amount Issued: \_\_\_\_\_  
Bond Description: (project, beneficiary, location, type/category of bonds)

Dear \_\_\_\_\_:

In accordance with the Tax Reform Act of 1986, as amended, and 30 ILCS 345, the above-captioned Issuer is giving notice that the above-captioned private activity bonds have been issued. With regard to the issuance of these bonds, all applicable federal and state requirements have been complied with. The total allocation provided for this bond issue in the Allocation Approval Letter dated \_\_\_\_\_ was \$ \_\_\_\_\_. The total principal amount actually issued was \$ \_\_\_\_\_ and, therefore, the amount of \$ \_\_\_\_\_ is unused allocation that may be added to the total available allocation.

Sincerely,

(Name of issuer)

\_\_\_\_\_  
(Signature of authorized public official)  
(Title)

Attachments

[Note: If the bonds were issued on the basis of a voluntary reallocation of unused allocation or as a result of a carry-forward of allocation from a prior year, this fact should be so stated in this confirmation letter and a copy of the written evidence of such reallocation or carry-forward should be attached.]

(Letterhead of Signatory)

**REPORT OF ALLOCATION GRANTED  
BY HOME-RULE UNITS**

(Date) [Due Thursday, May 10, 2021]

Office of the Governor  
Governor's Office of Management and Budget  
100 W. Randolph Street – Suite 15-100  
Chicago, IL. 60601  
Attn: Sophia Ronis

ATTENTION: Debt Management Unit

Re: Issuer: (Home-Rule unit)  
Total 2021 Volume Cap Allocation: [see list attached to guidelines for population,  
multiplied by \$110.00 ]

Volume Cap allocations granted, transferred, or reserved by Issuer resolution prior to May 1, 2021:

1. Principal Amount of Issue: \_\_\_\_\_  
Bond Description: (Type of bond)  
(Repeat as necessary identify all specific allocations)  
If reallocated to another issuer, state name of issuer: \_\_\_\_\_

Copies of allocation resolutions or ordinances are attached. [Note: Memorandums of agreements with businesses need not be attached.]

Total Allocation Granted or Reallocated \$ \_\_\_\_\_

Sincerely,

(Name of issuer)

\_\_\_\_\_  
(Signature of authorized public official)  
(Title)  
(Phone number)

**APPENDIX B**

**ANNUAL HOUSING REPORT**

**SAMPLE FORM**

Bond Issuer Annual Reporting Form		
Statutory Requirement (30 ILCS 345/7.5)	Explanation/Detail	Insert Required Information
<b>Information Required for All Bond Issues</b>		
Bond Issuer	Entity Issuing Bonds:	
Person Completing Report (Drafter)	Name:	
Drafter Contact Information	Company:	
	Address:	
	Address:	
	City, State, Zip:	
	Phone:	
	E-mail Address:	
Reporting Period	Calendar Year:	
Date of Report	Date (no less than 45 days prior to end of Reporting Period):	
Bond Proceeds Used for Projects and Loans	Percentage of Total Issuance:	
Total Cost of Issuance	Amount:	
Bond Proceeds Used to Refund Prior Bonds	Amount:	
Unused Proceeds at Time of Report	Amount:	
Plan for Use of Any Unused Proceeds	<i>Attach Narrative and Supporting Documentation Showing Commitments to Utilize Proceeds, including timetable for use.</i>	
<b>For Multifamily Rental Units Only</b>		
Total Number of Developments	Total:	
Total Number of Units	Total:	
Income Levels for All Units (using Area Median Income, or "AMI")	No. Units at 30% AMI or less:	
	No. Units at 40% AMI:	
	No. Units at 50% AMI:	
	No. Units at 60% AMI:	
	No. Units at 80% AMI:	
	No. of Other Restricted Units ( % AMI):	
	No. of Other Restricted Units ( % AMI):	
	No. of Other Restricted Units ( % AMI):	
	Unrestricted (Market Rate):	
Annual Comprehensive Housing Plan Priorities (see below for priority key)	<i>Attach detail showing the number units serving the priority populations described below, along with documentation showing efforts to serve Priority Populations, when available.</i>	
<b>For Single Family Units Only</b>		
Loans and Households Achieving Homeownership with Bond Proceeds	Number of Mortgage Loans:	
	Number of Households:	
Loan Amounts, Actual and Effective Interest Rates	<i>Attach List of Individual Loan Amounts, detailing the actual and effective interest rate for each loan.</i>	
Annual Comprehensive Housing Plan Priorities (see below for priority key)	<i>Attach detail showing the number units serving the priority populations described below, along with documentation showing efforts to serve Priority Populations, when available.</i>	
First-time Homebuyers	Number:	
Homeownership Counseling	No. of assisted homeowners who received any homeownership counseling:	
<b>Key to Priorities</b>		
Disabled - No. Units Serving People with Disabilities (as defined in the Illinois Comprehensive Housing Plan, found at <a href="http://www.ihda.org">www.ihda.org</a> ; choose "Housing Policy and Planning" in the left margin)		
Extremely Low Income - No. Units Serving Very Low-Income (less than 30% AMI) Households and Families		
Homeless - No. Units Serving Homeless People and Families and Those At-Risk of Homelessness		
Live Near Work - No. Units Serving Low and Moderate-Income Families and People Unable to Find Affordable Housing Near Employment or Transportation		
Preservation - No. of Units for Low-Income Families and People Living in Existing Affordable Housing that is in Danger of Becoming Unaffordable		
Very Low Income - No. Units Serving Very Low-Income (31 to 50% AMI) Households and Families		
<b>QUESTIONS????</b>		
Any questions on how to complete this form should be directed to Charlotte Flickinger at the Illinois Housing Development Authority at 312-836-5200 or TTD 312-836-5222.		

**APPENDIX C**  
**POPULATION ESTIMATES**

<u>Home Rule Unit<sup>1</sup></u>	<u>Population<sup>2</sup></u>	<u>Home Rule Unit<sup>1</sup></u>	<u>Population<sup>2</sup></u>
Addison Village	36,724	East Dundee Village	3,192
Alsip Village	18,880	East Hazel Crest Village	1,511
Alton City	26,528	East St. Louis City	26,346
Arlington Heights Village	75,249	Edwardsville City	24,969
Aurora City	199,602	Elgin City	111,683
Bannockburn Village	1,602	Elk Grove Village Village	32,458
Barrington Hills Village	4,207	Elmhurst City	46,558
Bartlett Village	40,931	Elmwood Park Village	24,263
Bartonville Village	6,172	Elwood Village	2,260
Batavia City	26,316	Evanston City	74,106
Bedford Park Village	601	Evergreen Park Village	19,325
Belleville City	41,290	Fairview Heights City	16,448
Bellwood Village	18,839	Flora City	4,883
Belvidere City	25,194	Forest View Village	678
Benton City	6,913	Freeport City	23,920
Berkeley Village	5,073	Galesburg City	30,432
Berwyn City	54,917	Gilman City	1,682
Bloomington Village	21,894	Glendale Heights Village	33,928
Bloomington City	77,962	Glen Ellyn Village	27,928
Bolingbrook Village	75,178	Glenview Village	47,258
Bridgeview Village	16,187	Glenwood Village	8,792
Bryant Village	215	Golf Village	496
Buffalo Grove Village	40,853	Granite City City	28,476
Burbank City	28,534	Gurnee Village	30,576
Burnham Village	4,119	Hanover Park Village	37,747
Cahokia Village	14,009	Harvey City	24,641
Calumet City City	36,240	Harwood Heights Village	8,413
Calumet Park Village	7,672	Hazel Crest Village	13,694
Carbon Cliff Village	1,981	Herrin City	12,838
Carbondale City	25,376	Highland Park City	29,622
Carlock Village	563	Highwood City	5,272
Carol Stream Village	39,601	Hillside Village	7,958
Carpentersville Village	37,744	Hodgkins Village	1,885
Cartersville City	5,866	Hoffman Estates Village	51,197
Champaign City	88,029	Homer Glen Village	24,582
Channahon Village	13,086	Hopkins Park Village	600
Chicago City	2,705,994	Huntley Village	27,440
Chicago Heights City	29,571	Inverness Village	7,438
Chicago Ridge Village	14,050	Jacksonville City	18,749
Christopher City	2,731	Johnston City City	3,441
Cicero town	81,597	Joliet City	148,099
Collinsville City	24,621	Kankakee City	26,052
Cook County, Unincorporated	102,420	Lake Barrington Village	4,879
Country Club Hills City	16,511	Lake Bluff Village	5,617
Countryside City	5,954	Lake Forest City	19,544
Crainville Village	1,411	Lake in the Hills Village	28,835
Crystal Lake City	40,036	Lansing Village	27,657
Danville City	30,898	LaSalle City	9,064
Darien City	21,954	Lincolnshire Village	7,925
Decatur City	71,290	Lincolnwood Village	12,349
Deerfield Village	18,779	Lockport City	25,508
DeKalb City	42,611	McCook Village	221
De Pue Village	1,705	McHenry City	27,022
Des Plaines City	58,959	Manhattan Village	7,999
Dolton Village	22,547	Marion City	17,620
Downers Grove Village	49,387	Mascoutah City	8,029
Du Quoin City	5,748	Maywood Village	23,368

1. Home Rule Communities: Secretary of State – Index Department

2. Population Data Source: Population Division of the U.S. Census Bureau - "Table 1: Annual Estimates of the Population for the United States, Regions, States, and Puerto Rico: April 1, 2000 to July 1, 2018 (NST-EST2018-01) on December 30, 2019

<u>Home Rule Unit<sup>1</sup></u>	<u>Population<sup>2</sup></u>		<u>Home Rule Unit<sup>1</sup></u>	<u>Population<sup>2</sup></u>
Melrose Park Village	24,925		Robbins Village	5,464
Mettawa Village	551		Rockdale Village	1,931
Midlothian Village	14,476		Rock Island City	37,678
Moline City	41,902		Rolling Meadows City	23,748
Monee Village	5,122		Romeoville Village	39,624
Monmouth City	8,998		Rosemont Village	4,107
Morton Grove Village	22,943		Round Lake Beach Village	27,325
Mound City City	519		St. Charles City	33,032
Mount Prospect Village	54,198		Sauget Village	166
Mount Vernon City	14,849		Schaumburg Village	73,509
Muddy Village	64		Schiller Park Village	11,515
Mundelein Village	31,234		Sesser City	1,875
Murphysboro City	7,477		Sherman Village	4,684
Naperville City	148,304		Shorewood Village	17,385
Naples town	119		Skokie Village	63,280
Nauvoo City	1,065		South Barrington Village	4,993
New Lenox Village	26,780		South Chicago Heights Village	4,042
Niles Village	29,184		South Holland Village	21,503
Normal town	54,742		Springfield City	114,694
Norridge Village	14,281		Standard Village	205
Northbrook Village	33,167		Stickney Village	6,620
North Chicago City	29,770		Stone Park Village	4,844
Northfield Village	5,422		Streamwood Village	39,570
Northlake City	12,235		Summit Village	11,188
North Utica Village	1,346		Sycamore City	18,083
Oakbrook Terrace City	2,119		Thornton Village	2,419
Oak Forest City	27,406		Tilton Village	2,647
Oak Lawn Village	55,511		Tinley Park Village	56,204
Oak Park Village	52,265		Tuscola City	4,352
O'Fallon City	29,584		University Park Village	6,958
Old Mill Creek Village	173		Urbana City	42,046
Onarga Village	1,287		Valier Village	641
Orland Park Village	58,312		Valmeyer Village	1,245
Oswego Village	35,237		Vernon Hills Village	26,641
Palatine Village	68,053		Volo Village	5,580
Park City City	7,457		Warrenville City	13,260
Park Forest Village	21,429		Washington City	16,704
Park Ridge City	37,240		Watseka City	4,860
Pekin City	32,255		Waukegan City	86,792
Peoria City	111,388		West Chicago City	27,045
Peoria Heights Village	5,778		West City Village	642
Peru City	9,798		West Dundee Village	8,258
Phoenix Village	1,925		West Frankfort City	7,882
Plainfield Village	44,138		Wheaton City	53,150
Posen Village	5,851		Wheeling Village	38,878
Prairie Grove Village	1,866		Williamsville Village	1,491
Quincy City	40,042		Willowbrook Village	8,493
Rantoul Village	12,691		Wilmette Village	27,265
Riverdale Village	13,205		Winnetka Village	12,385
River Grove Village	9,979		Woodridge Village	33,566
Riverwoods Village	3,595		Woodstock City	25,268

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2. Population Data Source: Population Division of the U.S. Census Bureau - "Table 1: Annual Estimates of the Population for the United States, Regions, States, and Puerto Rico: April 1, 2000 to July 1, 2018 (NST-EST2018-01) on December 30, 2019