ST. CHARLES SINCE 1834	**AGENDA ITEM EXECUTIVE SUMMARY**	Agenda Item number: *6d
	Title:	Recommendation to approve an Ordinance Reserving and Authorizing the Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters
	Presenter:	Chris Minick, Finance Director

Meeting: Government Operations Committee Date: April 6, 2020

Proposed Cost: $ N/A	Budgeted Amount: $	Not Budgeted: ☐

Executive Summary (*if not budgeted please explain*)**:**

Our private activity bond allocation cap this year is $3,468,360. This amount is based on a private activity allocation of $105 per capita from the State of Illinois (City's population estimate of 33,032 per State of Illinois 2020 Guidelines and Procedures). We have the right to reserve, transfer, or remand volume cap back to the State of Illinois. In the past, we have occasionally been able to sell our volume cap to other municipalities for applicable private activity developments and debt issuances occurring in those jurisdictions. Sale of the volume cap to another governmental entity is also approved by the attached ordinance.

The City has no current plans to utilize our volume cap during 2020, but Staff is recommending that we reserve our volume cap in the event an eligible project comes up during the year. In order to do so, we will need to pass the attached ordinance reserving our volume cap.

The City's volume cap allocation allows for private businesses to issue tax exempt debt for industrial expansion and job creation projects under certain circumstances. These entities are able to utilize the City's volume cap to issue the tax-exempt debt if all other IRS criteria are met. There is not typically large demand for volume cap, however projects do occasionally come up. Retaining our volume cap gives the City the maximum flexibility should an opportunity present itself.

Attachments (*please list*)**:**
Ordinance

Recommendation/Suggested Action (*briefly explain*)**:**
Recommendation to Approve an Ordinance Reserving and Authorizing the Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters.

City of St. Charles, Illinois
Ordinance No. 2020-M-___

An Ordinance Reserving and Authorizing the Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matter

WHEREAS, the City of St. Charles, Kane and DuPage Counties, (the "*City*"), is a municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the "*Code*"), provides that the City has volume cap equal to $105.00 per resident of the City in each calendar year, which volume cap may be reserved and allocated to certain tax-exempt private activity bonds; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 ILCS 345/1 *et seq*. (State Bar Ed. 2006), as supplemented and amended (the "*Act*"), provides that a home rule unit of government may transfer its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof or any non-home rule unit of government; and

WHEREAS, it is now deemed necessary and desirable by the City to reserve all of its volume cap allocation for calendar year 2020 to be applied toward the issuance of private activity bonds (the "*Bonds*"), as provided in this Ordinance, or to be transferred, as permitted by this Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, as follows:

Section 1. That, pursuant to Section 146 of the Code and the Act, the entire volume

cap of the City for calendar year 2020 is hereby reserved by the City, which may issue the Bonds using such volume cap, or without any further action required on the part of the corporate authorities of the City, may transfer such volume cap to a home rule unit of government, non-home rule unit of government, the State of Illinois or any agency thereof for the issuance of private activity bonds by such government entity, and the adoption of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or authorization of the transfer of such volume cap for use in the issuance of such other bonds; *provided*, that any such transfer shall be evidenced by a written instrument executed by the Mayor, City Administrator, or Finance Director of the City.

Section 2. That the City shall maintain a written record of this Ordinance in its 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, City Administrator and all other proper officers, officials, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certifications as may be necessary to further the purposes and intent of this Ordinance and to comply with the provisions of the Act with respect to transfers of volume cap.

Section 4. That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision of this Ordinance shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases and provisions of this Ordinance.

Section 5. That all ordinances, resolutions or orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded; and that this Ordinance shall be in full force and effect upon its adoption and approval.

PRESENTED to the City Council of the City of St. Charles, Illinois, this ___day of April, 2020.

PASSED by the City Council of the City of St. Charles, Illinois, this ____day of April, 2020.

APPROVED by the Mayor of the City of St. Charles, Illinois, this ____day of April, 2020.

_____
Raymond P. Rogina, Mayor

ATTEST:

_____
City Clerk

COUNCIL VOTE:
Ayes: _____
Nays: _____
Absent: _____
Abstain: _____

APPROVED AS TO FORM:

_____
City Attorney

_____
Date

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, 2020

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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 "2020 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.VolumeCapRequest2020@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 2020 State Ceiling and Allocations

2020 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 2020 is ($105 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, 2019 (NST-EST2019-01)" which reports Illinois's estimated population as **12,671,821**.

Illinois 2020 State Ceiling is **$1,330,541,205.00** ($105 x **12,671,821**).

Allocations

Pursuant to the Statute, the table below denotes the initial allocation of the 2020 State Ceiling.

Home Rule Units	$ 853,480,740.00
Non-Home Rule Units	238,530,232.50
State Agencies/Authorities	238,530,232.50
Total	**$1,330,541,205.00**

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HOME RULE UNITS

Allocation

January 1 Benchmark
As described in "2020 State Ceiling – Background and Calculation" above, each Home Rule community is allocated an amount equal to ($105 multiplied by its population and Cook County, as a Home Rule county, is allocated an amount equal to $105.00 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 $853,480,740.00. 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, 2020 through May 1, 2020 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, 2020, shall be reserved to the Governor's Office on June 1, 2020 (the "home Rule Pool"). From the period of June 1 through July 15, 2020, 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, 2020. Requests will be accepted, via the methods described on page 3, only on or after 8:30 a.m., June 1, 2020. 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, 2020, 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, 2020. Requests will be accepted, via the methods described on page 3, only on or after 8:30 a.m., July 15, 2020. 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, <u>must</u> accompany <u>all</u> request submissions (June 1 or July 15). A submission <u>will not</u> 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, 2020, 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, 2020. 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, 2020, 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, 2020. 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, 2020, 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, <u>must</u> 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 2020 allocation of Volume Cap available on or after January 1, 2020 to be issued by Non-Home Rule units of local government is expected to be $238,530,232.50. 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, 2020 (January 2, 2020). Requests will be accepted, via the methods described on page 3, only on or after 8:30 a.m., January 2, 2020. 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, 2020 (the "Non-Home Rule Pool") shall be reserved to the Governor's Office on July 15, 2020 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, 2020. Requests will be accepted, via the methods described on page 3, only on or after 8:30 a.m., July 15, 2020. 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, <u>must</u> accompany <u>all</u> request submissions (January 1 or July 15). A submission <u>will not</u> 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 2020 submissions are to be sent via the instructions set forth on page 3 of these Guidelines by February 1, 2020. 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 2020 there is expected to be $238,530,232.50 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, 2020. In addition, State agencies may apply beginning on or after the first State business day after June 1, 2020 for the allocation retained by the Governor's Office from the Home-Rule Pool and beginning on or on July 15, 2020 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 2020 Submissions are to be sent via the instruction set forth on page 3 of these guidelines by February 1, 2020. 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 2020 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, 2020]

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 2020 Volume Cap Allocation: [see list attached to guidelines for population, multiplied by $105.00]

Volume Cap allocations granted, transferred, or reserved by Issuer resolution prior to May 1, 2020:

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
Information Required for All Bond Issues		
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	*Attach Narrative and Supporting Documentation Showing Commitments to Utilize Proceeds, including timetable for use.*	
For Multifamily Rental Units Only		
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:	
NOTE: The table of current AMI figures to be used in compiling this information may be found at http://www.ihda.org/Downloads.aspx (search "Income Limits") or by calling the Illinois Housing Development Authority at 312-836-5200.	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)	*Attach detail showing the number units serving the priority populations described below, along with documentation showing efforts to serve Priority Populations, when available.*	
For Single Family Units Only		
Loans and Households Achieving Homeownership with Bond Proceeds	Number of Mortgage Loans:	
	Number of Households:	
Loan Amounts, Actual and Effective Interest Rates	*Attach List of Individual Loan Amounts, detailing the actual and effective interest rate for each loan.*	
Annual Comprehensive Housing Plan Priorities (see below for priority key)	*Attach detail showing the number units serving the priority populations described below, along with documentation showing efforts to serve Priority Populations, when available.*	
First-time Homebuyers	Number:	
Homeownership Counseling	No. of assisted homeowners who received any homeownership counseling:	
Key to Priorities		
Disabled - No. Units Serving People with Disabilities (as defined in the Illinois Comprehensive Housing Plan, found at www.ihda.org; 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		
QUESTIONS?????		
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

Home Rule Unit[1]	Population[2]
Addison Village	36,724
Alsip Village	18,880
Alton City	26,528
Arlington Heights Village	75,249
Aurora City	199,602
Bannockburn Village	1,602
Barrington Hills Village	4,207
Bartlett Village	40,931
Bartonville Village	6,172
Batavia City	26,316
Bedford Park Village	601
Belleville City	41,290
Bellwood Village	18,839
Belvidere City	25,194
Benton City	6,913
Berkeley Village	5,073
Berwyn City	54,917
Bloomingdale Village	21,894
Bloomington City	77,962
Bolingbrook Village	75,178
Bridgeview Village	16,187
Bryant Village	215
Buffalo Grove Village	40,853
Burbank City	28,534
Burnham Village	4,119
Cahokia Village	14,009
Calumet City City	36,240
Calumet Park Village	7,672
Carbon Cliff Village	1,981
Carbondale City	25,376
Carlock Village	563
Carol Stream Village	39,601
Carpentersville Village	37,744
Carterville City	5,866
Champaign City	88,029
Channahon Village	13,086
Chicago City	2,705,994
Chicago Heights City	29,571
Chicago Ridge Village	14,050
Christopher City	2,731
Cicero town	81,597
Collinsville City	24,621
Cook County, Unincorporated	102,420
Country Club Hills City	16,511
Countryside City	5,954
Crainville Village	1,411
Crystal Lake City	40,036
Danville City	30,898
Darien City	21,954
Decatur City	71,290
Deerfield Village	18,779
DeKalb City	42,611
De Pue Village	1,705
Des Plaines City	58,959
Dolton Village	22,547
Downers Grove Village	49,387
Du Quoin City	5,748

Home Rule Unit[1]	Population[2]
East Dundee Village	3,192
East Hazel Crest Village	1,511
East St. Louis City	26,346
Edwardsville City	24,969
Elgin City	111,683
Elk Grove Village Village	32,458
Elmhurst City	46,558
Elmwood Park Village	24,263
Elwood Village	2,260
Evanston City	74,106
Evergreen Park Village	19,325
Fairview Heights City	16,448
Flora City	4,883
Forest View Village	678
Freeport City	23,920
Galesburg City	30,432
Gilman City	1,682
Glendale Heights Village	33,928
Glen Ellyn Village	27,928
Glenview Village	47,258
Glenwood Village	8,792
Golf Village	496
Granite City City	28,476
Gurnee Village	30,576
Hanover Park Village	37,747
Harvey City	24,641
Harwood Heights Village	8,413
Hazel Crest Village	13,694
Herrin City	12,838
Highland Park City	29,622
Highwood City	5,272
Hillside Village	7,958
Hodgkins Village	1,885
Hoffman Estates Village	51,197
Homer Glen Village	24,582
Hopkins Park Village	600
Huntley Village	27,440
Inverness Village	7,438
Jacksonville City	18,749
Johnston City City	3,441
Joliet City	148,099
Kankakee City	26,052
Lake Barrington Village	4,879
Lake Bluff Village	5,617
Lake Forest City	19,544
Lake in the Hills Village	28,835
Lansing Village	27,657
LaSalle City	9,064
Lincolnshire Village	7,925
Lincolnwood Village	12,349
Lockport City	25,508
McCook Village	221
McHenry City	27,022
Manhattan Village	7,999
Marion City	17,620
Mascoutah City	8,029
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

Home Rule Unit[1]	Population[2]
Melrose Park Village	24,925
Mettawa Village	551
Midlothian Village	14,476
Moline City	41,902
Monee Village	5,122
Monmouth City	8,998
Morton Grove Village	22,943
Mound City City	519
Mount Prospect Village	54,198
Mount Vernon City	14,849
Muddy Village	64
Mundelein Village	31,234
Murphysboro City	7,477
Naperville City	148,304
Naples town	119
Nauvoo City	1,065
New Lenox Village	26,780
Niles Village	29,184
Normal town	54,742
Norridge Village	14,281
Northbrook Village	33,167
North Chicago City	29,770
Northfield Village	5,422
Northlake City	12,235
North Utica Village	1,346
Oakbrook Terrace City	2,119
Oak Forest City	27,406
Oak Lawn Village	55,511
Oak Park Village	52,265
O'Fallon City	29,584
Old Mill Creek Village	173
Onarga Village	1,287
Orland Park Village	58,312
Oswego Village	35,237
Palatine Village	68,053
Park City City	7,457
Park Forest Village	21,429
Park Ridge City	37,240
Pekin City	32,255
Peoria City	111,388
Peoria Heights Village	5,778
Peru City	9,798
Phoenix Village	1,925
Plainfield Village	44,138
Posen Village	5,851
Prairie Grove Village	1,866
Quincy City	40,042
Rantoul Village	12,691
Riverdale Village	13,205
River Grove Village	9,979
Riverwoods Village	3,595

Home Rule Unit[1]	Population[2]
Robbins Village	5,464
Rockdale Village	1,931
Rock Island City	37,678
Rolling Meadows City	23,748
Romeoville Village	39,624
Rosemont Village	4,107
Round Lake Beach Village	27,325
St. Charles City	33,032
Sauget Village	166
Schaumburg Village	73,509
Schiller Park Village	11,515
Sesser City	1,875
Sherman Village	4,684
Shorewood Village	17,385
Skokie Village	63,280
South Barrington Village	4,993
South Chicago Heights Village	4,042
South Holland Village	21,503
Springfield City	114,694
Standard Village	205
Stickney Village	6,620
Stone Park Village	4,844
Streamwood Village	39,570
Summit Village	11,188
Sycamore City	18,083
Thornton Village	2,419
Tilton Village	2,647
Tinley Park Village	56,204
Tuscola City	4,352
University Park Village	6,958
Urbana City	42,046
Valier Village	641
Valmeyer Village	1,245
Vernon Hills Village	26,641
Volo Village	5,580
Warrenville City	13,260
Washington City	16,704
Watseka City	4,860
Waukegan City	86,792
West Chicago City	27,045
West City Village	642
West Dundee Village	8,258
West Frankfort City	7,882
Wheaton City	53,150
Wheeling Village	38,878
Williamsville Village	1,491
Willowbrook Village	8,493
Wilmette Village	27,265
Winnetka Village	12,385
Woodridge Village	33,566
Woodstock City	25,268

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