State of Indiana

2023-2024

Qualified Allocation Plan

Contents

This plan constitutes the Qualified Allocation Plan ("QAP") for the State of Indiana and is intended to comply with the requirements set forth in Section 42 of the Internal Revenue Code, as amended, including all applicable rules and regulations promulgated thereunder (collectively, the "Code"). As used herein, "Applicant" shall include any owner, principal, or participant, including any affiliates.

This QAP applies to all allocations of 2023-2024 Rental Housing Tax Credits ("RHTC") pursuant to the Code, multifamily private activity tax-exempt bonds ("Bonds"), and supplemental awards of Indiana Affordable Housing and Community Development Fund ("Development Fund"), HOME Investment Partnerships Program funds ("HOME"), and National Housing Trust Fund ("HTF") made in conjunction with RHTC (collectively "Rental Housing Financing").

The QAP sets forth (1) the role of the Indiana Housing and Community Development Authority ("IHCDA") in administering the Rental Housing Financing programs; (2) IHCDA's development goals based on housing needs throughout the state; (3) guidelines for Developments receiving RHTC in conjunction with Private Activity Tax-Exempt Bond Financing; (4) the set-aside categories established by IHCDA; (5) minimum threshold requirements which all Applicants and Developments must meet in order to be considered for Rental Housing Financing; and (6) the evaluation factors IHCDA will use to score applications.

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Section 1 - Role of IHCDA

IHCDA is empowered to act as the housing credit agency for the State of Indiana to administer the allocation of Rental Housing Tax Credits ("RHTC"), also known as Low-Income Housing Tax Credits ("LIHTC"), pursuant to Section 42 of the Internal Revenue Code and this QAP.

Part 1.1|Purpose of Qualified Allocation Plan

This QAP:

- has been established utilizing the selection criteria required by the Code.
- is designed to further the housing goals of IHCDA.
- defines threshold and scoring criteria applicable to all applications for Rental Housing Financing.
- provides procedures, in the Compliance Manual appendix, that IHCDA (or its agent or private contractor) will follow in monitoring for compliance with the provisions of the Code, in conducting inspections, and in notifying the Internal Revenue Service of noncompliance.

Part 1.2|DISCLAIMERS

Any action, determination, decision, or other ruling made by IHCDA pursuant to this QAP shall not be construed to be a representation or warranty by IHCDA as to a Development's compliance with applicable legal requirements, the feasibility or viability of any Development, or of any other matter whatsoever.

IHCDA reserves the right to resolve any conflicts, inconsistencies, or ambiguities in this QAP or issues which may arise in administering the allocation of Rental Housing Financing. In the event of a conflict or inconsistency between this QAP and its Forms, Schedules, or Appendices, the policies and procedures described in this QAP shall prevail.

IHCDA may, in its sole discretion, amend this QAP for any reason, including to assure compliance with applicable federal, State, or local laws and regulations thereunder which may be amended or enacted, to reflect changes in market conditions, to respond to disaster recovery efforts, or to terminate the program.

IHCDA may, in its sole discretion, elect not to allocate RHTC to a Development that might otherwise qualify for an allocation or to allocate resources to lower ranked proposals to achieve a better mix of resource usage, a better geographic distribution of resources, or for any other reason judged by IHCDA to be meritorious. IHCDA reserves the right to allocate Rental Housing Financing to an Application irrespective of its point ranking, if such intended allocation is: (1) in compliance with the Code, (2) in furtherance of the housing goals stated herein, and (3) determined to be in the interests of the citizens of the State of Indiana. IHCDA will provide a written explanation to the public for any allocation of RHTC which is not made in accordance with the selection criteria in this QAP.

Any decision IHCDA makes and any action or inaction by IHCDA in administering the program shall be final and conclusive and shall not be subject to any review, whether judicial, administrative, or otherwise.

Section 2 - IHCDA's Housing Goals

Part 2.1|IHCDA Vision and Mission

This QAP has been written to further IHCDA's vision and mission through the allocation of Rental Housing Financing. IHCDA's vision is an Indiana with a sustainable quality of life for all Hoosiers in the community of their choice. IHCDA's mission is to provide housing opportunities, promote self-sufficiency, and strengthen communities.

Part 2.2|Housing Goals

IHCDA's goal is to support and encourage Developments that:

- set aside units at a variety of rent and income levels.
- contribute to comprehensive neighborhood improvement.
- substantially upgrade and preserve existing affordable housing.
- connect residents with services to enhance self-sufficiency and quality of life.
- serve tenant populations with special housing needs, including persons experiencing homelessness and persons with disabilities.
- provide longer periods of affordability.

Section 3 - Private Activity Tax-Exempt Bond Financing

Developments applying for 4% RHTC and tax-exempt bonds must comply with all requirements for an allocation under this QAP and the Code.

Applications will be limited to a maximum request of $35,000,000 in bond volume. IHCDA may, through issuance of a RED Notice, reduce the maximum bond request or close the bond application round based on available bond volume.

For additional requirements and information, see Schedule D - Private Activity Tax-Exempt Bond Requirements.

Section 4 - Set-Aside Categories

IHCDA's tax credit ceiling for allocation in any one year is the sum of the following components:

- Annual Per Capita Credits – determined by the state's population and the per capita multiplier
- Carry Forward Credits – unused credits from a previous year carried forward for allocation in the current year
- Returned Credits – credits returned from Developments that received allocations in previous years
- National Pool – credits returned to the IRS as unused by other states which may be awarded to IHCDA if it allocates its tax credits to a de minimus amount in any one year

To achieve its housing goals, IHCDA has established the following set-aside categories for allocation of 9% RHTC. There are no set-aside categories for 4% RHTC and tax-exempt bond applications. The set-aside categories, their respective requirements, and the percentage of annual RHTC allocated to each are described below. IHCDA may exceed the percentage of credits reserved per set-aside to completely fund an application.

% of Available RHTC	Set-Aside Category
15%	Qualified Nonprofit
10%	Community Integration
15%	Large City
15%	Small City
15%	Rural
10%	Preservation
10%	Housing First
10%	General

An application may compete in more than one set-aside category depending upon its location, its characteristics, and whether the owner is a qualified nonprofit organization. However, an application may compete in only one Development Location set-aside (Large City, Small City, or Rural). A Development will be subject to the requirements of all set-asides in which it competes, not only the requirements of the set-aside through which it is funded.

IHCDA intends to allocate RHTC in a manner consistent with this distribution. If the distribution cannot be met due to the quality or quantity of applications received, IHCDA may allocate any RHTC remaining without regard to these set-aside categories, as long as such allocation is made in accordance with the Code and the goals of this QAP.

Part 4.1|Qualified Nonprofit

15% of available annual RHTC will be set aside for qualified nonprofit organizations.

To be considered a qualified nonprofit organization, the organization must meet the following requirements at time of application and throughout the Compliance Period:

- One of the nonprofit organization's exempt purposes must include the fostering of low-income housing.
- The nonprofit organization must own 100% of the general partner interest in the Development. 100% general partner ownership interest is only required by a qualified nonprofit for consideration in this set-aside and does not preclude joint ventures in any other set-aside.
- The nonprofit organization must materially participate in the development and operation of the Development. Per IRS guidance, a nonprofit entity is considered to be materially participating "where it is regularly, continuously, and substantially involved in providing services integral to the development and operation of a project." For more information, see Internal Revenue Code Section 469(h), Chapter 6 of the IRS *Low-Income Housing Credit Audit Technique Guide*, and Part 2.3B of the IHCDA *Rental Housing Tax Credit Compliance Manual*.
- The organization must comply with all other sections of the Code applicable to nonprofit organizations, including the requirement that such organization not be affiliated with or controlled by a for-profit organization as determined by IHCDA.
- No part of the organization's net earnings may benefit any member, founder, contributor, or individual.
- The organization must have been in existence as a §501(c)(3) nonprofit with affordable housing as one of its primary goals for at least one year prior to the date of application.
- The nonprofit organization must receive at least 35% of the developer fee. If any developer fee is deferred, the nonprofit's proportion of the deferral may not exceed its proportion of the total developer fee.

Developments competing in this set-aside but funded under a different set-aside will nevertheless be subject to the set-aside requirements, including the material participation requirements. This will be reflected on the Reservation Letter and IRS Form 8609.

Required Documentation: Place in Tab C

- Articles of Incorporation or formation documents for the nonprofit organization
- IRS documentation of §501(c)(3) tax-exempt status
- A complete, signed Nonprofit Questionnaire (Form B) with required attachments

Part 4.2| Community Integration

10% of available annual RHTC will be set aside for Developments that commit to serving individuals with intellectual or developmental disabilities by providing affordable housing in an integrated setting.

To be eligible for the Community Integration set-aside, Developments must reserve at least 20% but not more than 25% of the total development units for households in which at least one member is a person with an intellectual or developmental disability. The qualifying member does not have to be the head or co-head of household.

Intellectual or development disability is based on the definition found in Indiana Code 12-7-2-61. The intellectual or developmental disability or related condition must have an onset prior to 22 years of age (except in the case of a traumatic brain injury) and the condition must be expected to continue indefinitely.

In order to create integrated housing settings and discourage segregation based on disability, the number of units reserved for this population cannot exceed 25% of the total development units. In addition, the units must be spread throughout the property, must be allowed to float, and cannot be clustered into a separate designated area. Creating designated buildings or areas solely for occupancy by persons with disabilities does not qualify under the set-aside.

An application competing under the Community Integration set-aside may not also propose to create supportive housing units for persons experiencing homelessness or request integrated supportive housing points.

The following documentation must be submitted to be considered under this set-aside:

- A narrative that:
    - identifies the number of units designated for occupancy by the target population.
    - describes how the Developer will seek input from persons with disabilities and provide a housing setting that assists in integrating persons with intellectual and developmental disabilities into the community.
    - describes how residents with disabilities will gain access to necessary supportive services and transportation.
- An executed Memorandum of Understanding ("MOU") with at least one provider that serves persons with intellectual or developmental disabilities. The MOU must include an agreement to refer clients to the Development and to connect residents with appropriate supportive services. This does not mean that the provider must directly provide those services. Participation in services cannot be mandated as a condition of occupancy.

Proof of qualifying disability can be obtained through any of the following methods:

- A referral from the identified MOU provider, one of the independent I/DD case management organizations contracted by the Division of Disability and Rehabilitative Services, or another qualified I/DD service provider who has documented the individual's I/DD diagnosis will serve as documentation that the individual has a qualifying disability, and property management will not inquire further into the nature of the disability during the application process and tenant screening.

- If an individual receives a Home and Community Based Services Waiver through the Indiana Division of Disability and Rehabilitative Services, or is on the waitlist for such a waiver, waiver or waitlist status shall be deemed proof of eligibility.

- If the individual with I/DD is a student, referral or documentation from the school or educational system demonstrating that the student is eligible for special education services under one or more of the following areas of eligibility: Autism Spectrum Disorder, Intellectual Disability, Developmental Delay, Multiple Disabilities, Specific Learning Disability, or Traumatic Brain Injury.

- An applicant who was not referred by the identified provider and does not have a Home and Community Based Services Waiver must provide third-party verification demonstrating an intellectual or developmental disability. Third-party verification could come from sources such as a physician, physician's assistant, nurse practitioner, doctor of osteopathy, psychiatrist, or psychologist. This verification must follow the Fair Housing Act requirements for verification of disability and cannot inquire into the nature of the disability. For additional information on Fair Housing and disability verification, refer to the IHCDA *Rental Housing Tax Credit Compliance Manual* or contact an IHCDA Compliance Auditor.

Developments competing in this set-aside but funded under a different set-aside will nevertheless be subject to the set-aside requirements. All Community Integration Set-aside Applicants that receive a reservation of tax credits will be required to participate in a training with IHCDA and CSH regarding I/DD supportive housing best practices and implementation. The developer, management company, and referral/service agency must all participate in the training.

Required Documentation: Place in Tab A

- Community Integration Narrative - a separate narrative from the three-page Development Narrative

- Copy of executed MOU(s) with referral provider(s)

Part 4.3|Development Location

Each application will compete in only one Development Location set-aside defined below. If a Development consists of sites in multiple locations that encompass different set-asides, the application will compete in the set-aside that has the most units (or the most residential square footage if unit counts are equal).

- 15% of available annual RHTC will be set aside for Developments in a Large City, defined as a city with a population of 70,000 or more (see Appendix C). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).
- 15% of available annual RHTC will be set aside for Developments in a Small City, defined as a city with a population of 10,000 – 69,999 (see Appendix D). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).
- 15% of available annual RHTC will be set aside for Developments in a Rural area, defined as being within:
    - The corporate limits of a city or town with a population of 9,999 or less; or
    - An unincorporated area of a county that does not contain a Large City or Small City as set forth in the QAP; or
    - An unincorporated area of a county that contains a Large City or Small City if the Development:
        1. Is at least one mile outside the jurisdiction of either a Large City or Small City as defined in the QAP; and
        2. Does not have access to public water or public sewer from either the Large City or Small City as defined in the QAP.

Part 4.4|Preservation of Existing Federally Assisted Affordable Housing

10% of available annual RHTC will be set aside for Developments involving the substantial rehabilitation of existing federally assisted affordable housing and/or the demolition and decentralization of federally assisted affordable housing units utilizing the same site (over 50% of the units must be replaced).

Federally assisted affordable housing includes:

- HUD or USDA funded affordable housing
- Any RHTC project where the Compliance Period has expired or will expire in the current year. The extended use agreement must still be active and recorded against the property. IHCDA will not allow a change to the minimum set-aside election currently applicable to the project or release the current recorded extended use agreement.

To be eligible for the set-aside, a Development must meet the following requirements:

- If a Development contains multiple building and construction types, at least 50% of the units must qualify as preservation units.

- Rehabilitation hard costs must exceed $35,000 per unit excluding the costs of furniture and the construction of community buildings and common areas.
    - Exception: USDA Rural Development Section 515 properties may include the cost of construction of community buildings and common areas in the minimum per unit amount.

Required Documentation: Place in Tab L

- Capital Needs Assessment (Schedule F): due 30 days before the application deadline
- Third-party documentation from the entity enforcing affordable housing requirements evidencing the rent and income restrictions applicable to the property, including the terms of such restrictions. The Applicant is not required to submit this documentation for existing RHTC properties.
- Hard cost budget separating out the cost for furniture and the construction of community buildings and common areas.

Part 4.5|Housing First / Supportive Housing

10% of available annual RHTC will be set aside for supportive housing for persons experiencing homelessness utilizing a Housing First model. Housing First is an evidence-based approach to providing housing with supportive services to persons experiencing homelessness.

Eligible Applicants must complete the Indiana Supportive Housing Institute ("The Institute"). The Institute provides training and technical assistance to organizations as they develop supportive housing. Development teams must complete initial drafts of tenant involvement plans, tenant selection plans, property management plans, eviction prevention plans, and supportive service plans as part of the Institute process and prior to submission of an RHTC application under the Housing First Set-aside. Participation in the Institute is based on a competitive RFP selection process. Applicants must fulfill all requirements of the Institute for the specific development for which they are applying.

NOTE: If a Development Team is accepted into the Institute (1) under an Institute RFP that is designated for non-RHTC funded projects or (2) based on a proposal for a non-RHTC funded project, then that team's development is not eligible under the Housing First Set-aside of the QAP.

Applications competing in the Housing First set-aside are subject to the following requirements:

- The Development must serve persons experiencing homelessness who are identified as the most vulnerable and most in need of supportive housing. The Institute RFP released each year will define the target populations that participating teams may serve.
- Services must be voluntary but readily available, with staff continually working to engage and build relationships with the tenants. Participation in services cannot be required for the tenant

to obtain or maintain housing. Staff must utilize a harm reduction approach in addressing substance use.

- Property management must work collaboratively with supportive service providers and tenants to implement eviction prevention practices. Property management must attempt to exhaust all other options, including the use of supportive services and individualized eviction prevention plans, prior to evicting a tenant. Eviction may be used only as a last resort.
- Property management must utilize the local Continuum of Care Coordinated Entry System as the sole referral source for tenant selection and must adopt a screening process that ensures supportive housing is accessible to the target population. The tenant selection plan must be written specific to supportive housing principles, may not screen out individuals based on credit history or previous landlord history, and must implement low-barrier criminal background screening procedures.
- Tenant information must be reported through the Homeless Management Information System (HMIS).
- Application must meet the additional supportive housing threshold requirements outlined in Part 5.1(T) and the accessibility requirements of Part 5.4(C).

Developments competing in this set-aside but funded under a different set-aside will still be subject to the set-aside requirements.

Part 4.6|IHCDA General

10% of available annual RHTC will be set aside for Developments that further IHCDA’s mission and housing goals irrespective of scoring. IHCDA will exercise its sole discretion in the allocation of the General set-aside.

IHCDA will issue a RED Notice each year requesting public feedback on the purpose of the General set-aside. Feedback will be accepted through a public hearing and written public comments.

Section 5 - Threshold Requirements

Each application must meet all minimum threshold requirements outlined in this Section. IHCDA will remove from consideration all applications failing to meet these requirements.

If IHCDA requests additional information from an Applicant, such information must be submitted by the stated deadline.

For 9% applications, all documentation (e.g., certifications, letters, etc.) must be dated within six months prior to the application deadline date, unless otherwise noted. For 4%/tax-exempt bond applications, all documentation must be dated within six months prior to the application submission date, unless otherwise noted. This does not apply to site control documentation as long as the expiration date is after the anticipated reservation date.

Part 5.1|Threshold Requirements

Throughout the required Compliance Period and Extended Use Period, each Development must satisfy all requirements of the Code, all other applicable federal laws, and any additional requirements as set forth in this QAP.

A. Development Feasibility

Funding allocated pursuant to this QAP may not exceed the amount IHCDA determines is necessary for the financial feasibility of a Development and its viability as a qualified low-income housing project throughout the Compliance Period. In making this determination, IHCDA shall consider: (i) the sources and uses of funds and the total financing planned for the Development; (ii) the general reasonableness of the development costs and operating budget, as well as reasonableness in direct comparison to similar costs in other applications; and (iii) such other factors it may consider applicable.

Pursuant to the Code, the foregoing determination shall be made at: (i) the time of initial application for the Rental Housing Financing; (ii) the time of allocation of the RHTC; (iii) anytime there is a material change to the application and/or Development; and (iv) at time of final application (for the issuance of IRS Form 8609).

Required Documentation: Application (Form A) and any additional documentation regarding the financial feasibility of the Development. Additional documentation may include third-party documentation of sources, costs, and uses of funds.

If the Application is proposing commercial space as part of the tax credit ownership, the following proformas must be submitted in Tab A.

- 15-year pro forma showing only the commercial portion of the Development
- 15-year pro forma showing only the housing portion of the Development

Note: A Development that depends on commercial income to meet the minimum underwriting guidelines will not be considered financially feasible.

B. Notification of Intent to Apply

At least 30 days, but no more than 60 days, prior to application submittal, the Applicant must submit Form C via e-mail to RHTC@ihcda.in.gov to notify IHCDA of their intent to apply.

C. Nonprofit Participation

A nonprofit organization that has an ownership interest in the proposed Development (even if not competing in the Qualified Nonprofit set-aside) must submit a resolution from its Board of Directors including language that approves:

- The application being submitted for specific Rental Housing Funding - i.e., private activity tax-exempt bonds, RHTC, HOME, HTF, Development Fund, etc.
- The percentage of ownership interest the nonprofit has in the venture
- The anticipated amount of Developer Fee the nonprofit will receive
- Any developer fee to be deferred, if applicable

Required Documentation: Place in Tab C

- Resolution signed by the nonprofit's Board of Directors. If the resolution is approved during a Board of Directors meeting, a quorum must pass and sign the resolution and incorporate such resolution into the minutes of the meeting.
- All nonprofits with 100% ownership of the General Partner that wish to compete in the Qualified Nonprofit set-aside must submit a signed Nonprofit Questionnaire with required attachments (Form B).

D. Market Study

A market study must be prepared at the Developer's expense by a disinterested third-party. The selected market study analyst must be included on IHCDA's approved Market Study Analyst list (Schedule C, Exhibit B) and must be approved to conduct market studies for the specific project type (general affordable housing, permanent supportive housing, or assisted living/residential care). The market study must demonstrate that sufficient demand for the proposed Development exists in the market area and is expected to continue during the Compliance Period. IHCDA may deny an application if the market study does not demonstrate sufficient demand.

Required Documentation: Place in Tab N

A market study which meets all requirements of Schedule C.

E. Multiple Applications for Same Site

IHCDA will not consider or review more than one application for the same or substantially the same site within an application cycle.

F. Multiple Applications Prior to 8609 Issuance

After its first successfully funded application to IHCDA, an Applicant, Owner, or Developer must be issued IRS Form 8609 for that Development prior to applying for a second RHTC Development.

IHCDA will consider a waiver for an Applicant, Owner, or Developer that has materially participated in a successfully completed Indiana Development while associated with or working for a different organization. Successfully completed means the Development has been issued IRS Form 8609. IHCDA must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include: (i) the name and BINs of each Development in which the Applicant, Owner, or Developer materially participated; (ii) the role the Applicant, Owner, or Developer played in each Development; and (iii) any additional information the Applicant, Owner, or Developer would like IHCDA to consider with the request.

IHCDA will not consider a waiver request for submission of a third RHTC application before the Applicant, Owner, or Developer is issued IRS Form 8609 for its first development in Indiana.

Required Documentation: Completed Form A (Application)

The Applicant, Owner, and Developer must submit the name and BINs of the most recent RHTC Development in which they participated with an ownership interest or as part of the Development Team (including as a consultant).

G. Capabilities of Development Team

All members of the Development Team listed in the application must be in good standing with IHCDA and must demonstrate sufficient financial, development, and managerial capabilities to complete the Development and to maintain it for the applicable affordability period(s).

IHCDA will remove an application from consideration if any Development Team member is currently on IHCDA's suspension or debarment list or in default on an IHCDA loan.

Required Documentation: Place in Tab D

- Most recent year-end financial statements, current year-to-date balance sheet (dated within 90 days of the date of application), and current year-to-date income statements (dated within 90 days of the date of application) from:
  - The Developer
  - Any individual/entity providing guarantees for the Development

- Resumés showing experience of the Developer and Management Agent

- Audited or CPA reviewed financial statements, copies of tax returns, or additional documentation if requested by IHCDA

H. Readiness to Proceed

The Applicant must demonstrate readiness to proceed as by submitting the following:

1) Application: A complete application in the form required by IHCDA and by the deadline set forth in this QAP. See Schedule G for Application Package Submission Guidelines.

   Required Documentation: Place in Tab A

   - Application (Form A)

   - Narrative Summary (not to exceed 3 pages) describing the Development, the need for the Development within the community, and how the Development will benefit the community. The Narrative Summary should include the following information:
     - Development and unit description
     - Amenities in and around Development
     - Area's needs that Development will help meet
     - Community support and/or opposition for Development
     - The constituency served by the Development
     - Development quality
     - Development location
     - Effective use of resources
     - Services to be offered

   - Payment of the application fee through [IHCDA's online payment portal]

2) Site Control: Satisfactory evidence of site control, including verification of current ownership.

   Required Documentation: Place in Tab E

   - Purchase Agreement or Option that does not expire until after the reservation date for RHTC and evidence of title via title insurance commitment, title search documentation, or attorney's opinion; OR

   - Executed and Recorded Deed; OR

   - Long-term lease option (term of lease may not expire prior to the end of the Extended Use Period) and evidence of title via title insurance commitment, title search documentation, or attorney's opinion; OR

- All the following documentation when a governmental body intends to acquire a site and/or building on behalf of the Applicant:
    - Duly adopted resolutions of the applicable governmental agency or commission identifying the subject site
    - Duly adopted resolutions of the applicable governmental agency or commission authorizing the acquisition of the land to comprise the Development
    - A letter from the applicable governmental agency or development commission setting forth the acquisition schedule for such land on a timetable consistent with the Applicant's readiness to proceed without undue risk of Rental Housing Financing being returned to or rescinded by IHCDA
    - Evidence of title via title insurance commitment, title search documentation, or attorney opinion

<u>Site control documentation must be in the name of the Development Owner or Applicant.</u>

3) Development Site Information

Required Documentation: Place in Tab F

Preliminary architectural plans that include:

- Unit plans with the square footage for each type of unit

- Dimensioned floor plans for all unit types showing the location of common areas and units and indicating the exact placement of all accessible or adaptable units. If the placement of accessible and adaptable units cannot be indicated on floor plans, then this information must be on the site plan.

- Scaled drawing elevations for all building types.
    - Exception: rehabilitation projects may instead submit renderings or photographs if they are accompanied by an architect's certification that elevations will not change.

- Basic site plan indicating all existing buildings, all proposed structures, and any proposed demolition. The site plan must indicate:
    - The site boundaries
    - The placement and orientation of buildings, parking spaces, planned and existing public sidewalks, landscaping, easements, dumpsters, buffers, etc.
    - The number of parking spaces
    - The location of planned site amenities such as playgrounds, gazebos, walking trails, etc.
    - The location and size of any proposed commercial areas

    - The exact placement and number of accessible or adaptable units if not listed on the floor plans
    - If any portion of the site is in a floodplain or contains wetlands. If so, the site plan must indicate the location of buildings, common areas, and any land improvements in relation to the floodplain or wetlands.
    - The location of any construction deterrents such as streams, ravines, gullies, drainage problems, etc.

- Current aerial photograph with the location of the site clearly marked and the surrounding uses and access points to the site clearly visible. Scattered site projects must submit a map indicating the location of each site with the parcel number or address labeled for each property.

- Current photographs of the project site, including images of each side of the existing structures for rehabilitation projects. Images obtained from a website are not acceptable.

All site documentation must be dated no more than 12 months prior to the application date. Rehabilitation projects in which there are no proposed structural changes will be allowed to submit the most recent architectural plans (which may be dated more than 12 months prior to the application date) along with an architect's affidavit certifying that there are no proposed structural changes to the floor plans.

4) Demonstrated ability to obtain funding for the Development (equity, loans, grants, etc.)

Required Documentation: Place in Tab G

a) For each source of construction and permanent financing, including any bank financing, a lender letter of interest addressed to the Applicant in support of the application. The lender letter of interest must contain:

    - A representation and acknowledgment stating that the lender has reviewed:
        - The same application submitted or to be submitted by the Applicant to IHCDA
        - The minimum set-aside election (40-60, 20-50, or Average Income) and the income and rent restrictions elected by the Applicant
        - The Minimum Underwriting Criteria set forth in this QAP
        - Any other special use restriction elections made by the Applicant
    - The anticipated terms of the loan including loan amount, term, amortization period, annual payment, and interest rate

b) For any funding not yet awarded, a narrative from the Applicant that includes:

- An explanation of how the Development is eligible for the funding source
- The plan to fill the gap if this funding is not awarded. Note: This is not required for IHCDA gap sources, including Development Fund, Housing Trust Fund, or HOME.
- The anticipated application date, Member Bank, and regional Federal Home Loan Bank (FHLB) if the Applicant is applying for FHLB's Affordable Housing Program (AHP).

c) A copy of the award letter for additional funding of any kind that has already been awarded. The award letter must include the source of funds, amount of the award, and expiration date for the award.

d) If equity is listed as a source during construction, a letter from the anticipated equity provider indicating the equity pay-in schedule and demonstrating the amount of equity available during construction.

e) If the Development has an existing contract for project-based rental assistance, a copy of the rental assistance contract.

f) If the Development will obtain a new contract for project-based rental assistance from an entity other than IHCDA, a conditional commitment letter from the funding agency that identifies the funding source, the term of the rental assistance, and the payment standard.

5) Zoning: Documentation that shows the real estate upon which the Development will be located is properly zoned for the proposed use

Required Documentation: Place in Tab H

- A letter from the appropriate authorized government official (e.g., zoning commission) that describes the Development location and certifies that the current zoning allows for the construction and operation of the proposed Development without the need for additional variance
    - With documentation of failed attempts to obtain a letter from the appropriate authorized government official, the Applicant may instead submit an attorney's opinion that the current zoning allows for the construction and operation of the proposed Development without the need for additional variance.
- A copy of all approved variances on the property (if applicable)

- For a Planned Unit Development (PUD), a copy of the appropriate documentation (e.g., PUD organization and requirements)

I. Access to Utilities

At the time of application, Applicant must certify there will be access to water, sewer, electric, and/or gas service to the site with sufficient capacity to satisfy the demands of the Development.

Required Documentation: Certification in Form A (Application)

J. Evidence of Compliance

Every Development funded with RHTC must follow IHCDA's compliance requirements as set forth in the *Rental Housing Tax Credit Compliance Manual*, a copy of which is attached as Schedule A to this QAP and made a part hereof.

A Development found to be in violation of the QAP or the Code may be subject to a reduction or rescission of Rental Housing Financing, and its Development Team members may be subject to suspension or debarment from all IHCDA programs.

Any entity currently on IHCDA's suspension or debarment list or in default with IHCDA or any lender or partner is ineligible to apply for RHTC.

Development Team members with an ownership interest in any existing RHTC Development must demonstrate that all prior compliance findings, if applicable, have been resolved.

Required Documentation: Place in Tab J

Each principal of the General Partner or managing member of an LLC and each member of the Development Team (as identified in Form A) must submit a written affidavit disclosing:

- Their complete interest in and affiliations with the proposed Development
- Any outstanding noncompliance issues on any federal or State affordable housing program
- Any loan defaults
- All other RHTC Developments in Indiana in which they own or have owned an interest
- The Management Agent named in Form A must add language to its affidavit certifying that:
    - They have reviewed the application, including the operating budget
    - They can effectively manage the property according to the requirements of the Code, this QAP, and the elections made by the Owner/Applicant in the application

K. Phase I Environmental Site Assessment

A full Phase I Environmental Site Assessment (ESA) must be completed prior to application. The Phase I ESA must either:

- Be dated within six months of the application submission date; or
- If the Phase I ESA report is dated between six and 18 months prior to the application submission date, the Applicant must submit an update to the report prior to closing if an update is required by the investor.

Required Documentation: Place in Tab K

- Phase I ESA completed by an experienced and qualified disinterested third-party. The Phase I ESA must:
    - address hazardous substances, wetlands, and floodplains.
    - include Wetland Delineation maps that document the existence of wetland areas on the site. If there are no wetland areas on the site, a wetlands delineation is not required.
- An affidavit from the entity completing the Phase I ESA certifying that they are a disinterested third-party.
- If the Phase I ESA identifies Recognized Environmental Conditions (RECs), the Applicant must submit a narrative describing how the RECs will be mitigated, how these costs will be paid, and where the costs are reflected in the development budget. A Phase II ESA must be completed and submitted to IHCDA prior to closing.
- For each site, a screenshot from the Indiana Department of Environmental Management (IDEM) Restricted Sites map demonstrating if the site is subject to an environmental restrictive covenant. Such sites will be in a yellow or orange box on the map. If a property is subject to an environmental restrictive covenant, submit a copy of the covenant demonstrating that the restrictions do not prohibit residential use or the proposed development.
- A FIRM floodplain map must be submitted with each parcel identified on the map. **IHCDA requires official FEMA maps from the FEMA website. Third-party maps, even those created using FEMA data, will not be accepted.**
    - If a FEMA map is not available for an area, the Applicant must submit a printout or screenshot of the FEMA website documenting that no map is available. In this specific instance, the Applicant may submit an Indiana Department of Natural Resources (IDNR) map in place of a FEMA map.

- A site plan that shows the location of all buildings, common areas, and improvements in relation to any hazardous substances, floodplains, or wetlands. If applicable, the Applicant must submit:
    - Evidence that the hazardous substances, floodplains, or wetlands can be mitigated
    - A plan and budget for such mitigation
- Applications that propose the placement of buildings in a 100-year floodplain (Zone A1-30, AE, A, AH, AO, AR, or A99 as defined by HUD) must include the following documentation:
    - A FEMA map for the areas in which the development site is located identifying the 100-year floodplain. **Note: A site located in any variation of zone "A" on the map is ineligible for HOME funding.**
    - A FEMA Conditional Letter of Reclassification for the property that indicates eligibility for reclassification out of the floodplain.
    - A letter provided by a qualified licensed surveyor or civil engineer identifying necessary mitigation activities and costs for the site work involved in the reclassification.
    - A narrative identifying the financing plan to cover the costs of reclassification and where these costs are reflected in the development budget.

  For all Developments that receive an award of RHTC and are in a 100-year floodplain at the time of initial application, a final letter of reclassification from FEMA along with an elevation certification must be provided at the completion of the Development.

L. Development Fund State Historic Review

Applicants requesting Development Fund must submit the State Historic Review documentation as required by Indiana Code 14-21-1-18. Instructions for the Development Fund State Historic Review process can be found in the Environmental Review Record and Section 106 User's Guide ("User's Guide"). Applicants must determine if buildings or structures in the Development are listed individually in the State or National Register of Historic Places.

Required Documentation: Place in Tab K

- A map from IDNR's Indiana Historic Buildings, Bridges, and Cemeteries Map webpage to show proof of determination. Appendix 3 of the User's Guide provides directions on how to research a property and Appendix 9 provides sample maps.
- If the Development sites or structures are listed in the State or National Register of Historic Places, IHCDA may request more information prior to sending the application to the State Historic Preservation Office (SHPO) for the Certificate of Approval (CofA). The CofA review will

take a minimum of 30 days once received by SHPO. The User's Guide and IDNR's website provide additional information.

M. Applicable State and Local Requirements & Design Requirements

Applicant must certify they will follow all applicable conditions and requirements including State and local laws, statutes, regulations, ordinances, and any additional items which may be required by IHCDA through this QAP (collectively "State Laws").

Applicant must certify that the Development has been designed to comply with the requirements of all applicable local, State, and federal fair housing and accessibility laws. Development design must consider, at a minimum, the applicability of standards established through local building codes, the Federal Fair Housing Act, the Americans with Disabilities Act, the Rehabilitation Act of 1973, and the Indiana Handicapped Accessibility Code, as amended.

Required Documentation: Certification in Form A (Application)

N. Lead-Based Paint Pre-Renovation Rule

Applicants proposing rehabilitation work on pre-1978 buildings are required to comply with the Lead-Based Paint Pre-Renovation Rule ("Lead PRE") and State lead-based paint requirements where applicable. For more information, visit www.epa.gov/lead or https://www.in.gov/isdh/26550.htm

Required Documentation: Certification in Form A (Application)

O. Commercial Areas

Applicants may propose Developments that contain commercial areas. However, a Development that depends on commercial income to meet the minimum underwriting guidelines will not be considered financially feasible.

Required Documentation: Place in Tab F

- A site plan that clearly identifies the location and size of all commercial areas
- A timeline for construction showing that all commercial areas will be completed prior to the residential areas being occupied

P. Appraisal

If any portion of RHTC or any other IHCDA resource is used for acquisition, eligible basis for acquisition credits will be calculated based on the lesser of the actual amount paid for the building or the "as is" appraised value of the building.

An appraisal is also required at time of Application if the Applicant is requesting IHCDA Project Based Vouchers (PBV), even if not requesting acquisition credits. If requesting PBV from another housing authority, the Applicant will be required to submit the appraisal later as part of the PBV Subsidy Layering Review.

Required Documentation: Place in Tab L

A fair market appraisal, completed by an Indiana-licensed appraiser no earlier than six months prior to the application deadline. The fair market appraisal must be an "as is" appraisal and adhere to the Uniform Standards of Professional Appraisal Practice ("USPAP"). A statement that the appraisal is an "as is" value and that it adheres to USPAP must be included in the report.

Q. Acquisition

If any portion of RHTC is used for acquisition:

1. The Development must either meet or be exempt from the 10-year placed-in-service rule of IRC Section 42(d)(2)(B)(ii).

   Required Documentation: Place in Tab L
   - A chain of title report from a title company; or
   - A professional tax opinion from a disinterested third-party stating that the acquisition either meets or is exempt from the 10-year placed-in-service rule of IRC Section 42(d)(2)(B)(ii); or
   - A letter from the appropriate federal official that states that the proposed project qualifies for a waiver under IRC Section 42(d)(6) if a waiver of the 10-year placed-in-service rule is necessary.

2. The Applicant must disclose all Related Parties and the proceeds from the sale to each Related Party. Schedule H defines Related Parties.

3. Acquisition costs must be excluded from eligible basis prior to the basis boost calculation.

   Required Documentation: Place in Tab L
   - An attorney's opinion that the acquisition meets the related party limitation
   - Completed Related Party Form (Form N)

R. Rehabilitation Costs / Capital Needs Assessment

For applications proposing rehabilitation, the rehabilitation hard costs must exceed $25,000 per unit. However, if the Development is competing in the Preservation set-aside, the rehabilitation hard costs must exceed $35,000 per unit.

The costs of furniture and the construction of community buildings and common areas are not included in the minimum per unit amount. However, USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common areas in the minimum per unit amount.

Required Documentation: Place in Tab L

Applications for rehabilitation Developments must include a capital needs assessment performed by an independent, Indiana licensed, qualified architect or engineer in the format required in Schedule F. For 9% applications, this must be submitted at least 30 days prior to the application deadline. For 4%/bond applications, this may be submitted with the complete application. A signed, draft HUD PCNA (completed for purposes of a HUD 223(f) loan application) will qualify. The final approved HUD PCNA must be submitted prior to closing.

Applications for adaptive reuse Developments are not required to include a capital needs assessment but must include a structural conditions report from an independent, Indiana licensed, qualified architect or engineer. For 9% applications, this must be submitted at least 30 days prior to the application deadline. For 4%/bond applications, this may be submitted with the complete application. The report must contain an assessment of any physical components that will be retained to verify their current condition and all necessary repairs.

S. Tenant Displacement and Relocation

The Applicant must provide a displacement and relocation plan if the Development will impact existing tenants.

Required Documentation: Place in Tab L

A detailed displacement and relocation plan that includes the following information:

- Any potential permanent, temporary, or economic displacement and relocation issues
- The number of current tenants to be relocated
- Where and for what length of time the tenants will be relocated during the rehabilitation
- How displacement will be minimized
- How relocation expenses will be paid, if applicable
- Relocation assistance plan (e.g. Who will get assistance? How much assistance will they receive? When and how will they receive their assistance? Who will provide advisory services to those displaced?)
- Anticipated relocation budget with itemized expenses. Note: Relocation expenses must also be listed in the development budget in Form A.

T. IRS Form 8821 Information Authorization

Upon request, the Applicant shall provide a completed IRS Form 8821 Tax Information Authorization for each Owner/General Partner. The form must be signed by an individual authorized to sign on behalf of the Owner.

U. Threshold Requirements for Supportive Housing

Applications competing in the Housing First set-aside must meet the following criteria:

- Applicant must successfully fulfill all requirements of the Indiana Supportive Housing Institute for the specific Development for which they are applying. To demonstrate that all Institute requirements have been met, the Applicant must obtain a letter from CSH certifying that:
    - The team attended all Institute sessions
    - The project concept is aligned with Institute goals, including target population to be served and use of the Housing First model
    - CSH has reviewed and approved the proposed development, operating, and service budgets, tenant selection plan, tenant involvement plan, property management plan, eviction prevention plan, and supportive service plan. The Development Team must submit their draft budgets and plans to CSH 45 to 90 calendar days prior to the tax credit application submission deadline to allow time for review and comments.
- Applicant must enter into an MOU with CSH for ongoing technical assistance to be provided from completion of the Institute until at least the end of the first year of occupancy. A copy of the MOU must be provided with the application.
- Applicant must enter into an MOU with each applicable supportive service provider. A copy of each MOU must be provided with the application.
- Applicant must identify all subsidy sources for project-based rental assistance and provide all funding commitments with the application. If the funding has not yet been committed, Applicant must provide proof of application, a narrative describing the selection process, and a narrative describing how the Development will move forward if the application is denied. To apply for Project Based Vouchers through IHCDA, submit Form O1. To apply for Section 811 Project Rental Assistance through IHCDA, submit Form O2. The Applicant should contact IHCDA if they are unsure which rental assistance source they are eligible to request.

Required Documentation: Place in Tab O

- CSH letter certifying completion of the Institute, review of applicable plans, and alignment with Institute goals, CSH Dimensions of Quality, and the Housing First model

- Copy of executed CSH MOU
- Copy of MOU with each applicable supportive service provider
- Documentation of commitment of subsidy sources for project-based rental assistance or narratives as described above
- If applicable, Form O1 to apply for IHCDA Project Based Vouchers or Form O2 to apply for Section 811 Project Rental Assistance.

V. Irrevocable Waiver of Right to Request Qualified Contract Right

All Applicants must irrevocably waive their right to request early termination of the extended use agreement through the Qualified Contract process. Applicants may not request a waiver of this threshold requirement at the time of application, and IHCDA will not allow any early releases/exemptions from this requirement during the extended use period. All Developments receiving reservations under this QAP must meet the full 30-year extended use period obligation.

This waiver does not preclude the option for ownership changes that maintain the affordability or for a request for a subsequent allocation of credits (i.e., resyndication) beyond Year 15.

Part 5.2|Underwriting Guidelines

The following underwriting guidelines apply to all Applications.

IHCDA will consider underwriting outside of these guidelines if supporting documentation is provided in Tab M, except in the case of HUD-mandated Project Based Voucher (PBV) subsidy layering requirements which cannot be waived. IHCDA will issue a technical error if the Application does not include an explanation and supporting documentation to justify why the underwriting is outside of these guidelines. IHCDA will issue a separate technical error for each item that is outside of the underwriting guidelines. Approval of underwriting from other financing institutions or funding sources does not constitute acceptable supporting documentation.

A Development that depends on commercial income to meet the minimum underwriting guidelines will not be considered financially feasible.

A. Total Operating Expenses

All Developments must be able to underwrite with minimum operating expenses of $4,500 per unit per year. The total operating expense calculation includes replacement reserve contributions but excludes debt service.

For Developments with Project Based Vouchers, cash flow (minus any acceptable reserve amounts) cannot exceed 10% of the total operating expenses. Cash flow is determined after ensuring all debt can be satisfied and is defined as total income to the project minus total expenses.

B. Management Fee – 5-7% of effective gross income (gross income for all units less vacancy rate)

# of Units	Maximum Management Fee Percentage
1 to 50 units	7%
51 to 100 units	6%
101 or more units	5%

C. Vacancy Rate – 6-8%, with the following exceptions:

- Applications proposing affordable assisted living must use a vacancy rate of 10-12%
- Applications with Section 8 Project Based Rental Assistance (PBRA), Project Based Vouchers (PBV), or Section 811 Project Rental Assistance (811 PRA) on 20% or more of the total units must use a vacancy rate of 4-7%

D. Rental Income Growth – 2% per year

E. Operating Reserves – the greater of (1) at least four months of projected expenses including operating expenses, debt service payments, and replacement reserve payments or (2) $1,500 per unit.

F. Replacement Reserves

Replacement reserves must be included in the operating budget. Contributions must be made to the reserve account starting on or before the conversion date of the construction loan to permanent loan and must be funded for the term of the Extended Use Period.

Minimum contribution requirements are as follows:

- Rehabilitation: $350 per unit per year
- New Construction (age-restricted): $250 per unit per year
- New Construction (non-age-restricted): $300 per unit per year
- Single Family Units: $420 per unit per year
- Historic Rehabilitation: $420 per unit per year

If an Application proposes multiple construction types, the minimum contribution must be calculated based upon the unit mix. For example, if a proposed Development contains 30 age-restricted new construction units and 20 rehabilitation units, the calculation would be 30 units at $250 per unit per year and 20 units at $350 per unit per year.

Replacement Reserve funds must be used only for capital improvements (substantial improvements such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings) and must <u>not</u> be used for general maintenance expenses (replacement of individual appliances or minor repairs). Less restrictive provisions allowed by lenders or other funders must be approved by IHCDA.

Replacement Reserve contributions must escalate at a rate of 3% per year.

G. Service Reserve

All Applications competing in the Housing First set-aside or requesting points under the integrated supportive housing scoring category must establish a capitalized service reserve to ensure that supportive services will be provided to tenants throughout the Compliance Period. Capitalized service reserves are allowed, but not required, for Applications competing in the Community Integration set-aside. The service reserve may only be used for supportive services and may not be used for other operating costs or capital improvements.

The amount of the service reserve must be a minimum of $5500 per supportive housing unit. The Application must include a copy of the anticipated service budget and a narrative describing the methodology used to determine the size of the proposed service reserve. Place in Tab M.

H. Operating Expense Growth – 3% per year

I. Stabilized Debt Coverage Ratio

The minimum and maximum debt coverage ratio (DCR) is defined by development type, as listed below:

- Large and Small City Developments: 1.15 – 1.45
- Rural Developments: 1.15 – 1.50
- Developments with Project Based Vouchers: 1.10 – 1.45

IHCDA calculates DCR before payment of deferred developer fee.

IHCDA recognizes that some Developments may require a higher DCR at the beginning of the Compliance Period to remain viable over the 15 years. Documentation to support a higher DCR must be provided. However, for Developments with Project Based Vouchers, the DCR must be in the range stated above for all years.

Developments without debt will not have a DCR but will be required to have sufficient cash flow. This will be determined by an expense ratio of Effective Gross Income to Total Annual Expenses (including replacement reserve contributions). An expense ratio of 1.10 shall be the minimum required in Years 1-15 to be considered viable.

J. Taxes and Insurance

Required Documentation: Place in Tab M

Documentation or calculation of estimated property taxes and insurance for the proposed Development.

K. Federal Grants and Subsidies

Applications that include federal grants or subsidies structured as loans to the Development must demonstrate a reasonable expectation that the loan will be repaid in full at maturity to remain in eligible basis. Eligible basis must be reduced by the amount of any federal grant that is not structured as a loan to the Development.

Required Documentation: Completed Form A (Application). Place additional information in Tab G.

L. Basis Boost

Applications for Developments located in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA) are eligible to increase eligible basis by up to 30% to determine the maximum credit amount. Acquisition costs must be excluded from eligible basis prior to the basis boost calculation. See Appendix E for a complete listing of QCTs and DDAs.

IHCDA may provide a discretionary basis boost of up to 30% to determine the maximum credit amount for 9% RHTC Applications which meet at least one of the following criteria.

- The Development is in an area officially declared as a disaster area by the State of Indiana and will assist in providing affordable housing to people affected by the disaster.
- The Application is competing under the Community Integration set-aside, Preservation set-aside, Housing First set-aside, or is eligible for points under the Integrated Supportive Housing scoring category.
- The Application demonstrates extensive site preparation requirements and/or off-site costs. All such work and associated costs must be deemed reasonable based on the circumstances.
- The Development consists of demolition and new construction, rehabilitation of historic structures, and/or conversion of existing structures.
- The Applicant commits to rent levels that receive at least 16 points under Section G.1, “Rents Charged” scoring category.

Developments will not qualify for an additional discretionary boost if they have already received the eligible basis boost for being in a QCT or DDA.

Required Documentation: Place in Tab A

- Applications for Developments located in a declared disaster area must include:
  (i) documentation that the Development is in an area that has been officially declared a disaster area by the Governor and (ii) a narrative description of how the proposed Development will help the area and the individuals affected by the disaster.

- All other Applications must include a narrative explanation identifying how the Development qualifies for a basis boost.

Part 5.3|User Eligibility and Limitations

A. Development Limitations

The amount of 9% RHTC allocated to any Development may not exceed $1,200,000.

For Applications requesting 4% RHTC and tax-exempt bond financing, the credit allocation may exceed $1,200,000 if the Development has sufficient eligible basis.

B. Developer Fee Limitations

- New Construction (9%): Developer Fee must not exceed the total of the per unit amounts (excluding market rate units) listed below.
    - $24,625 per unit for the first 30 tax credit units
    - $19,075 per unit for the next 35 tax credit units
    - $14,775 per unit for the next 35 tax credit units
    - $9,850 per unit for any tax credit unit above 100
- Rehabilitation or Adaptive Reuse (9%): Developer Fee must not exceed the total of the per unit amounts (excluding market rate units) listed below.
    - $27,075 per unit for the first 30 tax credit units
    - $20,925 per unit for the next 35 tax credit units
    - $17,850 per unit for the next 35 tax credit units
    - $9,850 per unit for any tax credit unit above 100
- Tax-exempt Bond Developments: The maximum Developer Fee for Developments with tax-exempt bonds is 15% of eligible basis, but any amount over $2,500,000 must be deferred and paid out of cash flow.

For 9% RHTC Developments with multiple construction types, each type must follow the limits above. For example, a Development with 20 units of new construction and 20 units of adaptive reuse would have a limit of $1,034,000 [($24,625 x 20) + ($27,075 x 20)].

NOTE: Consultant Fees, Guaranty Fees between related parties, or any similar fees, charges, or reimbursement for services customarily provided by an affordable housing developer or consultant will be considered separate fees. However, the sum of all these fees plus Developer Fee must be below the Developer Fee cap.

IHCDA will include deferred developer fee as a source of funding. A maximum of 60% of the Developer Fee may be deferred for 9% RHTC Developments or 80% of the Developer Fee for 4%/tax-exempt bond Developments.

To be included in eligible basis, all deferred developer fee must be paid by the end of the 15-year Compliance Period. Fees may be paid as a cash flow loan if it can be demonstrated that the fee can and will be paid. Fees permanently contributed to the Development must be paid to the Developer and then contributed to the Development in order to be included in eligible basis.

Required Documentation: Place in Tab M

- A statement: (i) disclosing each entity or individual receiving a portion of the developer fee along with the percentage of the fee the entity or individual will receive and (ii) describing the terms of the deferred payment including any interest rate charged and the source of payment

- Nonprofit organizations must include a resolution from the Board of Directors allowing such a deferred payment arrangement.

At the time of final cost certification, the Applicant must submit a Deferred Developer Fee Agreement evidencing the principal amount and terms of interest and payment of any deferred obligation.

C. Contractor Fee Limitations

Contractor fees shall be limited as follows:

Contractor Fees	Contractor Fee % Limitations
General Requirements	6% of Total Construction/Rehabilitation Cost
Builder's Overhead	2% of Total Construction/Rehabilitation Cost
Builder's Profit	6% of Total Construction/Rehabilitation Cost
Total	**14% of Total Construction/Rehabilitation Cost**

IHCDA calculates the total contractor fee by taking the sum of General Requirements, Builder's Overhead, and Builder's Profit and then dividing by the sum of Site Work, New Building, Rehabilitation, and Accessory Building costs. Developer fees, site work not included in the construction contract, demolition hard costs, and hard cost contingency are not part of the calculation.

IHCDA will permit savings in a particular contractor fee line item to offset overruns in other contractor fee line items provided that the total contractor fee does not exceed 14%.

D. Architect Fee Limitations

The architect fee, including design and supervision fees, must be limited to 4% of the total hard costs plus site work, general requirements, overhead, profit, and construction contingency.

Applicants that propose an architect fee exceeding 4% must follow a competitive negotiation procedure per the guidelines in Schedule H.

IHCDA may reduce the architect design fees when the same design has been used in previous developments.

Required Documentation: If following a competitive negotiation procedure, place description in Tab M.

E. Consultant Fee Limitations

Consultant fee is a separate fee but must be included in the developer fee cap. See Part 5.3B above.

F. Contingency Limitations

Hard cost contingency may not exceed the following limitations. This is calculated by taking the hard cost contingency (line c8 in the itemized costs in Form A) divided by the sum of new building or rehab costs and the site work that is included in the construction contract (line c1). General requirements, contractor overhead, and contractor profit (lines c5, c6, and c7) are allowed to be included in this calculation.

Development Type	Hard Cost Contingency Limitation
New Construction	5% of hard costs
Rehabilitation of existing housing	15% of hard costs
Historic rehabilitation or adaptive reuse	20% of hard costs

For Developments with multiple construction types, each type must follow the limits above.

Soft cost contingency may not exceed 3% of total soft costs for any construction type. This is calculated by taking the soft cost contingency (line h7 in the itemized costs in Form A) divided by the sum of architect and engineering fees (section d) plus other soft costs (section h). Developer Fee is not included in this calculation.

G. Reasonableness of Project Costs

IHCDA may disallow or reduce any line item costs, square footage costs, or total unit costs deemed to be unreasonable. IHCDA may request additional information to substantiate the reasonableness of any cost.

H. Related Party Fees

The Applicant, Owner, Developer, and Consultant must disclose all Related Party fees submitted within the budget via Form N. Fees may include, but are not limited to, developer fee, consultant fee, architect fee, guaranty fee, owner's representative fee, broker fee, document review fee, supervision fee, syndicator fee, engineer fee, attorney fee, accountant fee, management fee, and contractor fee. "Related Parties" is defined in Schedule H.

Applicants without Related Party involvement must still sign and submit Form N.

Required Documentation: Complete Form N and place in Tab J.

I. Davis Bacon Compliance

Developments with certain federal funding sources may be subject to Davis Bacon prevailing wage requirements. Davis Bacon applies, for example, if the Development has:

- HUD 221(d) loan financing
- 12 or more HOME-assisted units
- 9 or more Project Based Voucher units
- 12 or more Section 811 Project Rental Assistance units
- 8 or more total units and receives CDBG funding

Required Documentation: Complete Form A acknowledging if Davis Bacon applies to the Development. If applicable, General Contractor Affidavit must acknowledge that the General Contractor will implement Davis Bacon prevailing wages and comply with all Davis Bacon recordkeeping and compliance requirements.

Part 5.4|Minimum Development Standards

A. Minimum Equipment and Accessibility Requirements

In addition to meeting all new construction and rehabilitation standards required by applicable codes, each Development must meet the following criteria:

1) Each unit must contain a stove and refrigerator. Exception: single room occupancy (SRO) units must provide access to a communal stove and refrigerator if such appliances are not available in the unit.
2) Each unit must contain fire suppressors above stoves/ranges.
3) All Developments must install both smoke and CO detectors or combination smoke and CO detectors in accordance with Indiana Building Codes and NFPA 72. Smoke detectors in all existing buildings and rehabilitations shall be installed in all locations as required by Indiana Building Code for new construction. Smoke detectors must be interconnected per Indiana Building Codes and NFPA 72.
4) Owners must replace all smoke detectors within 10 years of installation, per the requirements in NFPA 72.
5) At least 5% of the total units in rehabilitation/adaptive reuse projects or 6% of the total units in new construction projects must be accessible or adaptable, utilizing the International Code Council's Accessible and Usable Buildings and Facilities Standard Type A or Type B definition. All accessible and adaptable units must be labeled on the site plan and/or floor plans.

6) All common laundry facilities that are required to be separated by fire partitions must have magnetic hold-open devices that will allow the fire doors to close upon activation of smoke/fire alarms.

B. Minimum Design Requirements

The following design requirements apply to all new construction and to rehabilitation if the items are proposed as part of the rehabilitation scope of work. NOTE: For rehabilitation, new components, systems, appliances, etc. that will be utilized in <u>any</u> unit must be utilized in <u>every</u> unit of the Development.

1) The use of low maintenance exterior building finishes including brick, stone, hardy board, fiber cement siding, or vinyl siding. Vinyl siding must be at least Residential Grade (.044") in thickness and carry a lifetime warranty.
2) All space heating/cooling systems must be sized using ACCA Manual J, GAMA H-22, or an accredited design professional's and manufacturer's recommendations.
3) Thermal insulated windows and entry doors must have a minimum U-value of 0.35 or below.
4) For all new construction buildings, energy efficiency must be demonstrated by meeting the minimum standards established by:
    - LEED rating system;
    - Bronze Rating National Green Building Standard;
    - Enterprise Green Communities; or
    - Equivalent certifications that are accredited by the American National Standards Institute. Applicants wishing to use an equivalent certification must consult with IHCDA prior to submission.
5) Roofing that uses shingles must use anti-fungal shingles with a minimum 30-year warranty.
6) Buildings and units must be identified using clearly visible signage and/or numbers. Such signage must be well lit from dusk until dawn.
7) Exterior railings must be constructed of heavy-duty steel, aluminum, composite, or wood materials capable of supporting vertical and horizontal loads per Indiana Code.
8) If clothes dryers are heated by combustible gases, Excess Flow Valves (EFVs) must be installed up-stream of the flexible gas line connectors.
9) Exterior stairways, landings, and approaches must be designed so that water will not accumulate on the walking surfaces.
10) All primary unit entry doors must have roof coverings at least three feet deep by five feet wide and contain a landing of the same minimum dimensions.
11) Fireplaces are prohibited in new construction residential units. For rehabilitation, existing fireplaces and chimneys must be sealed to prevent loss of conditioned air and blocked to prevent usage or must be removed.
12) Residential demising floors and walls separating units must be framed and insulated to prevent sound transmission of STC 50.

13) New cabinets must include dual slide tracks on drawers. Cabinet doors, stiles, and drawer fronts must be made with quality materials other than particle board.
14) Clothes dryer vent transition duct from flex to hard duct shall be made through recessed clothes dryer boxes unless the vent is on an exterior wall without bends or elbows.
15) Flammables, gasoline, and gasoline powered equipment must not be stored in the same structure as residential units unless the storage area is separated by a four-hour fire wall and is not accessible from inside the residential structure. Exception: a two-hour fire wall may be sufficient if the storage facility is equipped with a fire sprinkler system compliant with NFPA13R.
16) All new construction Developments must be built in accordance with the accessibility requirements of the Fair Housing Amendments Act of 1988. Rehabilitation developments must also meet the design and construction standards of the Fair Housing Amendments Act of 1988 if the first use of the building was after March 13, 1991. Regulations found at 24 CFR Part 100.205 implement the Fair Housing Act's design and construction requirements. These specific design and construction standards can also be found in ICC A117.1 Accessible and Usable Building and Facilities, Fair Housing Accessibility Guidelines (FHAG), and HUD's Fair Housing Act Design Manual.
17) Developments receiving federal funds (including HUD funding) must be designed and built in accordance with the accessibility requirements of Section 504. These specific design and construction standards can be found in the Uniform Federal Accessibility Standards (UFAS) and in 24 CFR Part 8.
18) For rehabilitation of buildings of masonry shell construction, all exterior walls must either: (1) contain an air barrier between the masonry and partition walls with properly aligned thermal and pressure boundaries or (2) be coated with materials that prevent air movement while allowing vapor transmission to escape the interior of the buildings' shells. Additionally, there must be a 1" air space between the masonry and air barrier on the partition walls that are within the building shell. This standard does not apply to buildings entitled to claim Historic Tax Credits.
19) Developments using fluorescent, high-pressure sodium, mercury vapor, and/or metal halide lamps/lighting must implement a collection and recycling program. The owner must follow the EPA's Resource Conservation & Recovery Act for the proper disposal of the luminaires.

C. Accessibility Requirements for Age-Restricted Developments and Housing First set-aside:

The following accessibility requirements apply to all age-restricted (55+ or 62+) developments and to all supportive housing developments competing in the Housing First set-aside.

- For New Construction:
  - All common areas must be accessible.
  - 100% of the units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1. Exception: for integrated supportive housing developments in the Housing

First set-aside, the percent of Type A or Type B units must equal or exceed the percent of supportive housing units.
  - Elevators must be installed for access to all units above or below the ground floor. Exception: for integrated supportive housing developments in the Housing First set-aside, elevators are not required if (1) all Type A or Type B units are on the ground floor and (2) the building is no more than two stories.

- For Rehabilitation or Adaptive Reuse developments without elevators:
  - All common areas on the main floor must be accessible.
  - 100% of the ground floor units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1

- For Rehabilitation or Adaptive Reuse developments that contained elevators prior to rehabilitation:
  - The elevators/lifts must be maintained.
  - All common areas must be accessible.
  - 100% of the units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1. Exception: for integrated supportive housing developments in the Housing First Set-aside, the percent of Type A or Type B units must equal or exceed the percent of supportive housing units.

Required Documentation: Certification in Form A (Application)

D. Minimum Unit Sizes

All units must meet the minimum unit size defined in the table below. The net square footage is the total livable space within the interior walls of the unit excluding garages, balconies, exterior storage, and common areas.

Minimum unit size by development type and number of bedrooms					
Development Type	Efficiency & 0-BR Units	1-BR units (minimum 1 bath required)	2-BR units (minimum 1 bath required)	3-BR units (minimum 1 ½ baths required for all new construction)	4+ BR units (minimum 2 baths required for all new construction)
New Construction (except assisted living or Housing First set-aside)	375 ft^2	675 ft^2	875 ft^2	1075 ft^2	1275 ft^2
Assisted Living, Housing First set-aside, Adaptive Reuse, or Rehab/existing housing	350 ft^2	500 ft^2	680 ft^2	900 ft^2	1075 ft^2

Required Documentation: Completed Form A (Application) and floor plans with exact total net square footage printed clearly. Place in Tab F.

E. Universal Design Features

- Applicants must adopt a minimum of six universal design features from each Universal Design Column. IHCDA encourages the adoption of universal design features best suited to the proposed Development.
- IHCDA will accept proposed universal design features that are not listed in the columns below if they are relevant and necessary to the Development. If submitting a universal design feature not listed below, the Applicant must clearly describe the additional feature, explain the necessity of its inclusion, and provide justification for the proposed column classification. The acceptance and classification of universal design proposals will be made by IHCDA on a case-by-case basis.
- Column Classification of Universal Design Features:
    - Features in Column A are regarded as higher cost and/or higher burden of inclusion.
    - Features in Column B are regarded as moderate cost and/or moderate burden of inclusion.
    - Features in Column C are regarded as lower cost and/or lower burden of inclusion.

Column A	Column B	Column C
Front loading washer and dryer with front controls, raised on platforms or drawers, in each unit or all laundry facilities	At least one entrance to the ground floor of each unit* is on a circulation path from a public street or sidewalk, a dwelling unit driveway, or a garage. That circulation path must be a ramp or sloped walking surface. Changes in elevation must not exceed ¼” (or ½” if beveled). *All one- & two-family dwellings only	Audible and visible smoke detectors in each unit
Walk-in shower with a folding or permanent seat (Age-restricted Developments 10% of the units; non-age-restricted Developments 5% of the units)	In kitchens, pull out shelves or Lazy Susan storage systems in base corner cabinets in each unit	Light switches located 48” maximum above the finished floor in each unit
Range/oven with controls located in a position that does not require reaching over burners in 10% of the units	All interior doors have a minimum clear width opening of 31¾”	Rocker or touch sensitive lighting controls in each unit
Wall oven with 27” minimum knee clearance under the door in the open position and controls 48” maximum above the floor in 10% of the units	Adjustable height shelves in kitchen wall cabinets in each unit	Mirrors over bathroom sinks have the reflecting surface 40” maximum above the floor or tilt to provide a similar view in each unit
Toilets meet the provisions for location, clearance, height, and grab bars in 2009 ICC A117.1 Section 604.5 in one bathroom in each unit	Where provided, telephone entry systems shall comply with ANSI.SASMA 303.-2006, Performance Criteria for Accessible Communication Entry Systems	Lever handle faucets on sinks in each unit
An accessible route from the garage into the dwelling in 10% of the units with attached private garages	One of the following in one bathroom in each unit: 1. Adjustable height showerhead that allows for a showerhead to be adjusted to reach between 48-84”	Full length mirrors with the bottom of the reflecting surface lower than 36” and top to be at least 72” above the floor in each unit

	above the tub or shower floor 2. Hand-held showerhead mounted 78-84” above the floor with a flexible hose 59” minimum in length	
Curb cuts along an accessible route throughout the development in accordance with 2009 ICC A117.1 Section 406.13	Remote control heating and cooling in each unit	Signage identifying unit numbers includes visual characters, raised characters, and braille
Side-by-side refrigerators in each unit	In the kitchen in each unit, a 60” x 48” clear floor space adjacent to the sink, dishwasher, cooktop, oven, refrigerator/freezer, and trash compactor	Remote controls or motion sensor controls for room lighting in each unit
Automatic garage door openers on all overhead garage doors	At least one section of the counter or a pull-out surface in each unit provides knee and toe clearances in accordance with ICC A117.1 Section 1003.12.3	Bathtub/shower controls located 48” maximum above the tub floor in each unit
Kitchen sink and work surface in accordance with ICC A117.1 Sections 1003.12.3.2 and 1003.12.4.2 in 10% of the units	Built-in microwave with an adjacent clear floor space per ADA requirements	Pull handles on drawers and cabinet doors in each unit
Motion detector controls for the outside lights on at least one entrance to each unit	Kitchen and bathroom countertops with a visual contrast at the front edge of the counter or between the counter and the cabinet in each unit	At least one garden area, on an accessible route, raised to a minimum of 15” above the adjacent grade
Removable base cabinets at the kitchen sink, one kitchen work surface, and at least one bathroom sink in accordance with ICC A117.1 Sections 1003.12.3.1, 1003.12.4.1, and 1003.11.2 in all ground floor units	A 30” x 48” clear floor space in each bathroom. If the bathroom doors swing in, the clear floor space must be beyond the swing of the door.	10 footcandle lighting for at least one work surface in each unit
Pull out shelving for all standard base kitchen cabinets in each unit	All hallways 42” or wider in each unit	Controls for bathtubs or showers located between the centerline of the bathtub or shower stall and the front edge

		of the opening in at least one bathroom in each unit
Roll-in shower in at least one bathroom in each unit in accordance with ICC A117.1 Section 608.2.2 or 608.2.3	Where walls are adjacent to toilets, bathtubs, or showers, provide blocking for future installation of grab bars in each unit in accordance with ICC A117.1 Section 1004.11.1	Adjustable height closet rods or a portion of each closet with two clothes rods at different heights in each unit
In 10% of the units, cook top with toe & knee clearance in accordance with ICC A117.1 Section 1003.12.5.4.2. The underside of the cook top shall be insulated or otherwise configured to protect from burns, abrasions, or electric shock.	Kitchen sink with a pullout faucet instead of side mount sprayer in each unit	Sliding closet doors for reach-in closets in each unit
Dishwasher with all operable parts and shelving between 15" and 48" above the flooring in 10% of the units	Means of identifying visitors without opening the door in each unit	Levered hardware on all doors intended for passage in each unit
A shower with a fixed or fold down seat or a bathtub with a seat in at least one bathroom in 10% of the units	Significant color contrast between floor surfaces, walls, and trim in each unit	Electrical outlets raised a minimum of 15" above the finished floor in each unit. Dedicated outlets and floor outlets are not required to meet this standard.
Grab bars installed at tub/shower in 10% of the units (In one bathroom only for two-bathroom units)	Visual contrast between stair risers and stair treads in each unit that contains a stairway	Lighted doorbell at the primary entrance to each unit
Remote controlled drapery, blinds, and/or curtains in 5% of the units	Handrails installed in all common area corridors	Countertop sinks with basin located as close to the front edge as possible in 10% of the units
Slip resistant flooring or carpet in each unit complying with ICC A117.1 Section 302.2	Cordless window blinds on every window in each unit	Self-closing drawers in kitchen cabinets in each unit

At least one bedroom on an accessible level in each multi-story unit		Mailboxes located between 24-48" above grade
Chair lift, platform lift, or private residence elevator in a multi-story unit		Toilets with seat height of 17-19" at least one bathroom in each unit
Low-power automatic doors at accessible exterior entrances		

Required Documentation: Completed Form A (Application)

F. Smart Use Training

Smart Use Training must be provided to onsite property management, maintenance staff, and tenants during the Compliance and Extended Use Periods. There must be a separate manual for staff and for tenants that is oriented toward the end user. Manuals must be specific and limited to the safe and efficient use of all equipment present in the Development and must also include fire safety information.

Required Documentation: Completed Form A (Application). The Smart Use Training curriculum for both onsite staff and tenants and documentation demonstrating participation by all onsite staff and tenants must be available for review at all times.

G. Visitability Mandate

Any Development involving new construction of single-family homes, duplexes, triplexes, or townhomes must meet the visitability mandate.

Visitability is defined as design that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. Visitability features include, but are not limited to, zero-step entrances, proper door width, and an accessible bathroom on the main level. Visitable units must comply with the Type C unit criteria in ICC A117.1 Section 1005.

Required Documentation: Completed Form A (Application)

H. Threshold Requirements for Affordable Assisted Living

Developers and management companies of affordable assisted living must follow the Indiana Division of Aging's "Aging Rule" for providers of home and community-based services. See Indiana Code 12-10-15 and Indiana Administrative Code 455IAC2.

Required Documentation: Completed Form A (Application)

I. Smoke-Free Housing

All Developments must commit to operate as smoke-free housing and to use IHCDA's Smoke-Free Housing Lease Addendum (Compliance Form #50). Smoke-free includes electronic cigarettes and vaping as forms of prohibited smoking.

The Applicant must make one of the following elections on Form A:

- Designate the entire property as smoke-free; or
- Establish a designated smoking area on the property. A designated smoking area must not be within 25 feet of any buildings. Smoking must be prohibited in individual units and all interior common space.

For preservation of existing housing that currently allows smoking, the smoke-free policies must be implemented no later than the rehabilitation placed-in-service date.

IHCDA recommends the American Lung Association of Indiana's "Smoke Free Housing Toolkit" as a resource for creating a smoke-free housing policy. See http://insmokefreehousing.com for more information.

Required documentation: Form A

Part 5.5|Special Needs Housing

All Developments must commit to setting aside 10% of the total units for occupancy by qualified tenants who meet the definition of "special needs populations" pursuant to Indiana Code 5-20-1-4.5. Special needs populations include the following:

- Persons with physical or developmental disabilities
- Persons with mental impairments
- Single parent households
- Survivors of domestic violence
- Abused children
- Persons with chemical addictions
- Persons experiencing homelessness
- The elderly

Additional information on this requirement can be found in Section 5 of IHCDA's *Rental Housing Tax Credit Compliance Manual*.

Required Documentation: Completed Form A. Completed and executed Form K must be submitted with the project's request for the issuance of Form 8609.

Part 5.6|Affirmative Fair Housing Marketing Plans

All developments that receive a tax credit reservation will be required to create an Affirmative Fair Housing Marketing Plan (AFHMP) using HUD Form 935.2A. The initial AFHMP must be in place prior to initial lease-up. The AFHMP must be updated at least once every five years. Additional information about AFHMPs may be found in IHCDA's *Rental Housing Tax Credit Compliance Manual*.

Required Documentation: Completed Form A. Completed Form 935.2A must be submitted at time of Final Application.

Part 5.7|Waiver Requests

IHCDA will consider a waiver request from any Applicant, Owner, and/or Developer regarding IHCDA Threshold Requirements including Underwriting Guidelines, User Eligibility and Limitations, and Minimum Development Standards except for those listed below. The Applicant must submit the waiver request no later than 30 days prior to the application submission date. The waiver request must include the following:

- The specific Threshold Requirement for which the Development is requesting a waiver
- A detailed description as to why the Development cannot meet the requirement
- Any additional pertinent information
- Payment of the $500 waiver request fee for each requirement requested to be waived

IHCDA will not grant waivers for set-aside requirements, scoring, or the following Threshold Requirements:

- Maximum credit request (Part 5.3A)
- Prohibition on submitting a third application prior to issuance of Form 8609 in Indiana (Part 5.1F)
- Waiver of the right to request release of the extended use agreement through Qualified Contract (Part 5.1V)
- For a 4% RHTC/bond application, Applicant may not request a waiver to submit the zoning documentation or inducement resolution after submission of the Application.

After review, IHCDA will provide a written response approving or denying the waiver.

Part 5.8|Technical Errors, Corrections, and Application Disqualification

Applications that do not pass threshold on initial review due to technical errors or incomplete information will be provided an opportunity to submit additional information or clarifications through the following correction process:

1) IHCDA will send a letter to the Applicant specifying all items which failed threshold review.

2) The Applicant will be allowed 14 calendar days (the "Correction Period") to provide additional information or clarifications to IHCDA per the instructions provided in the correction letter. The Applicant must submit a $500 resubmission fee for each correction. An Applicant will not be

allowed to submit additional documentation during the Correction Period to gain points in any scoring category.

3) IHCDA may overturn its assessment of a technical error if it is determined that the necessary documents were in fact included in the initial application submission or if the Applicant's response proves there was no deficiency.

4) IHCDA will determine if the additional documentation submitted during the Correction Period is sufficient for the application to pass threshold. A resolved technical error still counts against the total number of corrections allowed to pass threshold.

This correction process will apply to technical errors identified in supplemental applications for HOME, Development Fund, Housing Trust Fund, or any other IHCDA gap funding source. However, errors specifically related to a supplemental application will not count as technical errors for purposes of disqualification, with the following exceptions:

- Failure to submit the supplemental application fee will be considered a technical error.
- Failure to submit the Development Fund historic review items per Section 5.1 L of the QAP will be considered a technical error.

Applications with five or more technical errors will fail threshold and be removed from consideration. Applicants who fail to respond during the Correction Period will be automatically disqualified from further consideration.

- Applications for 9% credits may be resubmitted in the next funding round.
- Applications for 4% credits/tax-exempt bonds may be resubmitted after 90 days by submitting a new complete application, including applicable fees.

Section 6 - Scoring Criteria

An Application that satisfies all applicable threshold requirements will be evaluated based on the scoring criteria defined in this Section.

Scoring Section	Total Number of Points
1. Affordability	28 Points
2. Development Characteristics	63 Points
3. Sustainable Development Characteristics	16 Points
4. Financing & Market	22 Points
5. Other	30 Points
Total Number of Points Possible	**159 Points**

Applicants seeking a 9% RHTC allocation must score 80 or more points to meet threshold. Applicants seeking 4% RHTC and tax-exempt bonds must meet a minimum score established by IHCDA on a case-by-case basis, but in no case lower than 42 points.

To qualify for points, all required documentation (e.g., certifications, letters, etc.) must be dated within six months prior to the application deadline.

If two or more applications receive an equal total score and there are insufficient credits to fund both, the following tie breakers will be used to determine which receives an allocation:

- 1st Tie Breaker: priority will be given to the application for a Development located in a community that has not received an RHTC award (4% or 9%) within the past three years.
- 2nd Tie Breaker: if a tie still remains, priority will be given to the application with the lowest average rent restriction across all units.
- 3rd Tie Breaker: if a tie still remains, priority will be given to the application that requests the lowest number of tax credits per unit.
- 4th Tie Breaker: if a tie still remains, priority will be given to the application that competes under the highest number of set-asides.

Part 6.1 | Affordability

A. Rent Restrictions

All Developments must meet the minimum set-aside requirement of Section 42 through the election of the 40/60, 20/50, or Average Income minimum set-aside. If the proposed Development is the rehabilitation of an existing tax credit project, IHCDA will not allow a change to the minimum set-aside election currently applicable to the project.

An application will receive points as follows if the Applicant commits to lower rent targeting.

Points	% of RHTC units at or below 30% AMI Rent	TOTAL % of RHTC units at or below 50% AMI Rent (including units at or below 30%)
20	30%	50%
16	25%	50%
12	25%	40%
8	25%	33%
4	Less than 25%	33%

IHCDA encourages owners to distribute low-income units evenly among buildings in a mixed-income, multiple building Development.

Note: Per Section 42(g)(7), scattered site Developments may not contain market rate units.

Maximum Number of Points	**20**

B. Income Restrictions

An application will receive three points if the Applicant commits to income restrictions that match the rent restrictions selected in Part 6.2A above.

The following requirements apply:

- An Applicant selecting the Average Income minimum set-aside is required to make this election.
- If an Applicant selects the 20/50 minimum set-aside and does not elect to match income and rent restrictions, then all units are income restricted at 50% AMI. Such an application would receive zero points in this scoring category.
- If an Applicant selects the 40/60 minimum set-aside and does not elect to match income and rent restrictions, then all units are income restricted at 60% AMI. Such an application would receive zero points in this scoring category.

Required Documentation: Completed Form A (Application)

Maximum Points	**3**

C. Owner-paid Utilities

An application will receive one point if the owner commits to paying for water, sewer, and trash for all program units throughout the Compliance and Extended Use Periods.

Required Documentation: Completed Form A (Application)

Maximum Points	1

D. Additional Years of Affordability

An application will receive up to four points if the Applicant commits to a longer period of affordability:

- Two points for a 35-year Extended Use Period (initial 15-year Compliance Period plus 20 additional years).
- Four points for a 40-year Extended Use Period (initial 15-year Compliance Period plus 25 additional years).

This commitment to a longer Extended Use Period will not be waived in the future and will be codified in the recorded Extended Use Agreement. Committing to a longer Extended Use Period will not affect the maturity date or amortization of any IHCDA loan.

Required Documentation: Completed Form A

Maximum Points	4

Part 6.2 | Development Characteristics

A. Development Amenities

An application will receive up to six points for selecting amenities from the charts below:

- Two points for selecting ten or more amenities from Chart 1, with a minimum of two amenities from each column
- Two points for selecting five or more amenities from Chart 2, with a minimum of two amenities from each column
- Two points for selecting three or more amenities from Chart 3, with a minimum of one amenity from each column

All amenities selected by the Applicant should conform to the needs of the Development and its residents. Development amenities will be viewed as interchangeable within a column, provided that the total number of amenities selected in each column remains the same and is verified at time of Final Application.

NOTE: Specific requirements may apply for each amenity per the definitions in Appendix G.

Chart 1: Common Area Total of 10 Amenities		
A	**B**	**C**
Tenant Entertainment: Minimum of 2 Amenities	**Common Area Convenience Minimum of 2 Amenities**	**Common Area Architectural Minimum of 2 Amenities**
Playground	One parking spot per unit	Multiple building designs
Bike racks or bike storage lockers	Designated car wash facility	Multiple floor plans
Designated garden area	Garage or carport for each unit	Steel frame
Fenced dog walking area	Enclosed bus stop shelter	Architectural roofing shingles
Community room	Comfort conditioned common areas	Exterior made 100% of brick, stone, cement board, or insulated metal panels
Television in common area	Beauty salon/barber shop	Metal roof covering
Designated walking/jogging path	Laundry facility	Slate roof covering
Billiards table	Onsite property manager	Soundproof unit separation assemblies
Basketball court	Pet washing area	Energy Star Rated materials for flat roofs
Fenced-in tennis court	Hands-free features in common area bathrooms and kitchens and hand-sanitizer stations in common areas	
Gazebo (does not qualify if the gazebo is the designated smoking area for the property)	Indoor air purification system in common areas	
Picnic area with permanent grill		
Sand volleyball court		
Computer center		
Exercise room		
Theater room		
Rooftop deck		
Pickleball court		

Chart 2: Apartment Unit Total of 5 Amenities	
A	B
Unit Interior Architectural: Minimum of 2 Amenities	**Unit Convenience: Minimum of 2 Amenities**
Window blinds or curtains	Garbage disposal
Hardwood or tile floors	Doorbells
Individual porch/patio/balcony	Cable hook-ups
Walk-in closets or closets with high and low closet organizers	Motion detector lights for each unit
External individual attached storage	Clothes washer and dryer
Pressure relief vents for all bedrooms, unless all bedrooms contain return air vents	Built-in dishwasher
Kitchen pantry	Ceiling fan
At least 5% of the units have 3 bedrooms	Charging outlets with USB ports
At least 5% of the units have 4 or more bedrooms	Microhoods or microwaves provided in all units
Attached garage	Sliding barn doors for all interior doors
Ceiling lights in each bedroom	Smart thermostats
Coat or linen closet	
Kitchen cabinets with pull shelves in lower cabinets and Lazy Susans in corner cabinets	

Chart 3: Safety & Security Total of 3 Amenities	
A	B
Security: Minimum of 1 Amenity	**Life Safety Minimum of 1 Amenity**
Restricted access to property/gated community	Emergency pull cord/call button
Security cameras at all entrances	Fire extinguishers
Site/parking area lighting	Fire sprinkler system (only if not required by code; see definition in Appendix G)
Security cameras at onsite bus stops	Documented fire extinguisher training for tenants conducted by a firefighting professional
Intercom / call system	Kitchen fire blanket
Peep holes on exterior doors	Emergency escape ladders
Keyless door locks (ex: proximity sensor or fingerprint scanner)	Tenant fire safety education/training
Bump-proof entry door locks	Posted speed limit & "Caution Children Playing" signs
Steel entry doors & frames	Fenced-in retaining ponds
Security alarm (doors)	Emergency lighting
Security alarm (windows)	Showers with a minimum area of 9 ft^2
LED wall pack lighting on each building	Automated External Defibrillator (AED) onsite and staff trained on usage

Required Documentation: Completed Form A (Application)

Maximum Number of Points	**6**

B. Accessible or Adaptable Units

IHCDA encourages the inclusion of additional accessible and adaptable units. Applications exceeding the minimum threshold requirements (5% of total units in rehabilitation/adaptive reuse projects, 6% of total units in new construction projects, or the requirements of Section 5.4C for age-restricted or Housing First set-aside Developments) will receive additional points.

The terms accessible and adaptable are defined as follows:

- An accessible unit is a "Type A" unit per the International Code Council's Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1003).
- An adaptable unit is a "Type B" unit per the International Code Council's Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1004).

Points will be awarded per the table below.

Accessible and Adaptable Unit Points			
	1 Point	3 Points	5 Points
Non-Age-Restricted Developments Percents below are the percentage of total proposed units classified as accessible or adaptable.			
Rehab/Adaptive Reuse	7.0 - 7.9%	8.0 - 8.9%	9.0% or greater
New Construction	8.0 - 9.9%	10.0 - 11.9%	12.0% or greater
Age-Restricted Developments or Housing First Set-aside Percents below are the percentage of total proposed units classified as accessible or adaptable.			
Rehab/Adaptive Reuse (without existing elevator)	8.0 - 8.9%	9.0 - 9.9%	10.0% or greater
New Construction or Rehab/Adaptive Reuse (with existing elevator)			100%

Percentage of accessible and adaptable units is calculated as follows:

$$\frac{\textit{Total Accessible and Adaptable Units in Proposed Development}}{\textit{Total Units in Proposed Development}} = \%$$

Accessible units must be marketed and leased following the requirements outlined in Part 5.4F of IHCDA's *Rental Housing Tax Credit Compliance Manual*. If a household that does not need the accessibility features moves into an accessible unit, they must execute a lease addendum agreeing to transfer to a comparable, non-accessible unit if and when the accessible unit is needed by a person with a disability.

Requirement for Developments of 16 units or less: Applicants proposing Developments of 16 units or less must include at least two accessible or adaptable units to be eligible for points.

Maximum Number of Points 5

C. Universal Design Features

Applicants are encouraged to adopt universal design features beyond the minimum threshold requirement in Part 5.4E. Applications will receive points as follows:

- Three points will be awarded to Applications proposing to adopt a minimum of 8 universal design features from ***each*** Universal Design Column.
- Four points will be awarded to Applications proposing to adopt a minimum of 9 universal design features from ***each*** Universal Design Column.
- Five points will be awarded to Applications proposing to adopt a minimum of 10 universal design features from ***each*** Universal Design Column.

Refer to the Part 5.4E for a list of universal design options.

Required Documentation: Completed Form A (Application)

Maximum Number of Points	5

D. Vacant Structure

An application will receive points if the proposed Development converts space in a vacant structure. The structure must be 100% vacant at the time of application submission. Points will be awarded based on the percentage of the structure that is converted to affordable housing, commercial space, and/or common areas as follows:

Percent of the structure's square footage converted	Points
50%	2 points
75%	4 points
100%	6 points

Eligible structures must contain at least one RHTC unit after conversion. If any space in the existing structure will be used for a purpose other than housing, the Applicant must state the intended use.

For Developments comprised of multi-story buildings, all floors under the ownership of the tax credit limited partnership will constitute the Development's total square footage.

*NOTE: Applications claiming points in this category are **not** eligible for points under scoring category 6.2F Preservation of Existing Affordable Housing or 6.2G Infill New Construction.

Required Documentation: Completed Form A (Application). Certification of vacancy must be included in either the capital needs assessment or the structural conditions report.

Maximum Number of Points	6

E. Development is Historic in Nature

1) An application will receive two points if at least 50% of the total units or one point if at least 25% of the total units are in a building that meets one of the classifications below. Meeting multiple classifications will not result in additional points.

- Individually listed on the National Register of Historic Places
- Classified as a contributing resource to a district that is listed on the National Register of Historic Places
- Individually listed on the Indiana Register of Historic Sites and Structures
- Classified as a contributing resource to a district that is listed on the Indiana Register of Historic Sites and Structures
- Designated as a local landmark through an ordinance by a local historic preservation commission
- Classified as a contributing resource to a district that received a local landmark designation through an ordinance by a local historic preservation commission
- Not already listed on the National Register of Historic Places but with an approved Part 1 application for Federal Historic Tax Credits and a recommendation for approval by the Indiana Department of National Resources Division of Historic Preservation and Archaeology

Required Documentation: Evidence for meeting one of the above classifications must be provided in Tab P.

- For a building individually listed on the National Register of Historic Places, provide a PDF printout from the National Park Service's searchable online database verifying the building is listed on the Register.
- For a building that is a contributing resource to a district listed on the National Register of Historic Places, provide a PDF printout from the National Park Service's searchable online database verifying the building contributes to a district that is listed on the Register.
- For a building individually listed on the Indiana Register of Historic Sites and Structures, provide a PDF printout from the Indiana Department of Natural Resources' Indiana

Buildings, Bridges, and Cemeteries Map verifying the building is listed on the State Register.

- For a building that is a contributing resource to a district listed on the Indiana Register of Historic Sites and Structures, provide a PDF printout from the Indiana Department of Natural Resources' Indiana Buildings, Bridges, and Cemeteries Map verifying the building contributes to a district that is listed on the State Register.
- For a building designated as a local landmark, provide a copy of the local designation ordinance passed by the local historic preservation commission or the board of a Certified Local Government as designated by the Indiana Division of Historic Preservation and Archaeology.
- For a building that is a contributing resource to a district designated as a local landmark, provide the following:
    - A copy of a local designation ordinance passed by the local historic preservation commission or the board of a Certified Local Government as designated by the Indiana Division of Historic Preservation and Archaeology
    - A copy of the district map from the nomination clearly identifying the property as a contributing structure or a letter from the Indiana Division of Historic Preservation and Archaeology or local historic preservation commission stating that the property is contributing to the district
- For buildings not listed on the National Register but with an approved Part 1 application, provide a copy of the historic application and the approved Part 1 application signed by the Indiana Department of National Resources Division of Historic Preservation and Archaeology.

Documentation from a county interim report or a Sites and Structures Survey is not sufficient documentation of historic designation status and will not be accepted.

2) An application that will utilize Federal or State historic tax credits on the residential portion of the building and that has received a preliminary acceptance of a Part 2 application will receive an additional one point.

Required Documentation: Place in Tab P.

The preliminary acceptance of the Part 2 historic tax credit application by the Indiana Department of Natural Resources Division of Historic Preservation and Archaeology or from the National Park Service's National Register of Historic Places

Maximum Number of Points	**3**

F. Preservation of Existing Affordable Housing

An application will receive up to six points for preserving existing affordable housing as follows:

I. Six points will be awarded for an application that proposes the preservation of an existing Rental Housing Tax Credit project where the 15-year Compliance Period has expired or will expire in the current calendar year. The extended use agreement must still be in effect. IHCDA will not allow a change to the minimum set-aside election currently applicable to the project or release the current recorded extended use agreement.

Required Documentation: Submit in Tab P. A statement from the Applicant that includes the following information:

- The Building Identification Number (BIN) for each building in the project
- The address of each building in the project

OR

II. Six points will be awarded for an application that proposes the preservation of HUD or USDA affordable housing, including but not limited to Project Based Section 8, public housing, or Rural Development 515 properties.

Required Documentation: Submit in Tab P. Third-party documentation from the entity enforcing affordable housing restrictions evidencing the rent and income limits applicable to such property and the term of such restrictions.

OR

III. Four points will be awarded for an application that proposes the preservation of any other affordable housing project.

Required Documentation: Submit in Tab P. Third-party documentation from the entity enforcing affordable housing restrictions evidencing the rent and income limits applicable to such property and the term of such restrictions.

*NOTE: Applications claiming points in this category are **not** eligible for points under scoring category 6.2D Vacant Structure or 6.2G Infill New Construction.

Maximum Number of Points	6

G. Infill New Construction

An application will receive six points for meeting the criteria for infill new construction. Infill new construction is defined as developing vacant or underused parcels of land within areas that are already largely developed or previously developed. This category includes demolition and new construction projects that meet the attributes below.

The proposed Development must meet each of the following infill attributes:

- The site must be surrounded on at least two sides by adjacent established development. Parks and green space may qualify as established development if they are part of a master plan or covered by a recorded instrument. IHCDA will look at the entire Development site for phased Developments.
- At least one side of the site must be adjacent to occupied residential development, operating commercial development, or active public or community space.
- The site must maximize the use of existing utilities and infrastructure.
- For Developments with multiple buildings, at least 50% of the total units must qualify as infill.

The following activities will **not** qualify as infill new construction:

- Development on existing agricultural land
- Rehabilitation of existing structures

*NOTE: Applications claiming points in this category are **not** eligible for points under scoring category 6.2D Vacant Structure or 6.2F Preservation of Existing Affordable Housing.

Required Documentation: Submit in Tab P.

- Aerial photos of the proposed site
- If qualifying adjacent site is an established park or green space, documentation of such must be submitted with the application
- Market study must include language certifying that the site is not existing agricultural land

Maximum Number of Points	6

H. Foreclosed, Abandoned, and Disaster-Affected Properties

An application will receive four points if the proposed Development demolishes buildings or redevelops on property that has been foreclosed, abandoned, or affected by a disaster. At least 50% of the total Development units must qualify to receive points in this category.

I. A property will be considered foreclosed upon at the point when the mortgage or tax foreclosure is complete. The title for the property must be transferred from the most recent property owner under a foreclosure proceeding or transfer in lieu of foreclosure in accordance with state or local law.

Properties that were acquired for redevelopment purposes by a government entity, land bank, or the Applicant that were foreclosed when acquired will be considered eligible properties.

OR

II. A property will be considered abandoned when mortgage foreclosure or tax sale proceedings have been initiated for the property, mortgage or tax payments have been delinquent for at least 90 days, and the property has been vacant for at least 90 days.

Properties that were acquired for redevelopment purposes by a government entity, land bank, or the Applicant that were abandoned when acquired will be considered eligible properties.

OR

III. A property that was affected by a disaster, such as a fire, flood, or severe storm, within five years of the application submission date will be considered an eligible property if it has been condemned or deemed unsafe for occupancy as a result of the disaster.

Required Documentation: Submit applicable documentation in Tab P:

i. If foreclosed, copy of applicable foreclosure documents
ii. If abandoned, evidence from the mortgage lender and/or tax authority that payments have been delinquent for at least 90 days and that foreclosure or tax sale proceedings have been initiated
iii. If affected by a disaster, documentation from a third-party confirming the event, the date of the event, and impact on the site. The appropriate authority must have condemned or deemed the site unsafe for occupancy as a result of the disaster.

Maximum Number of Points	4

I. Community Revitalization Plan

An application will receive up to four points if there is a community revitalization plan that clearly targets the neighborhood in which the Development will be located. A community revitalization plan may include, but is not limited to, a comprehensive plan, downtown master plan, neighborhood plan, or economic development plan.

The Applicant may submit only one community revitalization plan per community. If more than one plan is submitted for the same community, the Application is not eligible for points in this category.

The plan must meet all the following criteria:

- Be dated, updated, or amended within 15 years prior to the application deadline date
- Include a map clearly identifying the target area that includes the proposed project site
- Outline detailed policy goals which include the rehabilitation or production of rental housing
- Include implementation measures for the achievement of such goals and housing activities
- Include an assessment of the existing conditions of the community

The following are not eligible:

- Short-term work plans, including Stellar Communities Strategic Investment Plans
- Consolidated plans, municipal zoning plans, or land use plans
- Plans that do not reflect the current neighborhood conditions
- Planned Unit Developments (PUDs)

For scattered site projects, if each community does not have a qualifying plan, points will be determined by the percentage of units covered by a qualifying plan.

Required Documentation: Submit all documentation in Tab P:

- Documentation of the process used to develop and adopt the plan
- Details regarding community input and public meetings held during the creation of the plan
- A copy of the entire plan
- A map of the area targeted by the plan identifying the location of the project
- A narrative listing the location and page number of all required items within the plan

Maximum Number of Points	**4**

Bonus point for LUG adoption: An application will receive one additional point if the plan has been adopted or certified by a local unit of government and meets all requirements above. For scattered site projects, all units must be covered by an eligible plan and each plan must be adopted or certified.

Bonus point for QCT: Per Section 42(m) and IRS Notice 16-77, allocating agencies must give preference to a proposed development located within a Qualified Census Tract (QCT) if that development is part of a concerted community revitalization plan. Therefore, an application will receive one additional point if the plan meets all the requirements above and the site is located within a QCT. LUG adoption is not required for this bonus point. To be considered a Development located within a QCT, at least 50% of the total units must be located within a QCT.

Required Documentation: Submit in Tab P:

- Documentation of the process used by the local unit of government to adopt or certify the plan
- Proof of adoption or certification of the plan

Maximum Number of Points	**2**

J. Federally Assisted Revitalization Award

The Application will receive up to four points if the proposed Development is a phase or component of one of the following initiatives:

1. HUD's Choice Neighborhoods program

2. New Market Tax Credit Development

3. IHCDA's Blight Elimination Program (BEP) or the Indiana Office of Community & Rural Affairs (OCRA) Blight Clearance Program (BCP)

    i. Four points if at least 50% of the proposed units or square footage will be located on a site assisted through the program; or

    ii. Two points if at least 25% of the proposed units or square footage will be located on a site assisted through the program

4. A similar federal program that demonstrates the following components. Note, the following programs do not qualify: Rental Assistance Demonstration (RAD), Promise Zone, HOME, Community Development Block Grants (CDBG), IEDC's READI Program, and OCRA's HELP Program.

    i. The program must target the de-concentration of poverty.
    ii. The Development must be part of a mixed-income or mixed-use community. For purposes of this scoring category, the following definitions apply:
        - Mixed-income means the development contains both affordable and market rate units.
        - Mixed-use means the development contains non-residential uses, such as commercial space.
    iii. The Development must provide for community improvements or amenities, such as new or improved public infrastructure, green space, improved transportation, or quality of life enhancements.

Required Documentation: Submit all documentation in Tab P.

- A copy of the award agreement identifying the entity receiving the award, the amount of the award, and any time limits for use of the award
- A letter from the Executive Director of the identified entity certifying that the proposed RHTC units are an essential element of the plan
- For NMTC awards, a commitment letter from the entity awarding the credits. The commitment may be conditioned upon a successful RHTC application.
- For BEP or BCP awards, evidence that the local unit of government received the award and that the proposed sites were assisted through the program

Maximum Number of Points	4

K. Offsite Improvement, Amenity, and Facility Investment

An application will receive four points if an investment of resources will result in offsite infrastructure improvements or the development of parks, green space, shared amenities, or recreational facilities within a quarter-mile radius of the proposed project site. Infrastructure improvements and the development of amenities and facilities will collectively be referred to as "offsite improvements" hereafter.

- The proposed offsite improvements must be completed prior to the proposed placed-in-service date for the project, but no more than two years before the application deadline (or submission date for a 4%/bond application).

- The sources and uses of funding associated with the proposed offsite improvements must not be part of the sources and uses of the RHTC Development. If the Development cannot move forward without the improvements, the improvements will not qualify for points.

- Offsite improvements must be outside the footprint of the building and the boundaries of the Development site.

- For scattered site Developments, each site must have offsite improvements within a quarter-mile radius.

Qualifying offsite improvements include, but are not limited to:

- Construction or reconstruction of sidewalks, roads, and streetscapes
- Redevelopment of vacant or blighted land with new infrastructure that promotes comprehensive revitalization such as new residential blocks and streets
- Development of parks, green space, or walking trails
- Development of community centers or similar facilities that promote cultural, educational, or recreational activities or provide supportive services

- Development of hospitals, clinics, federally qualified health centers, or similar facilities that provide medical services
- Construction of a shopping or retail center

The total costs of the offsite improvements must meet or exceed the amounts listed below based on the Application's applicable Development Location set-aside.

Development Location Set-aside	Minimum Cost of Offsite Improvements
Large City	$100,000
Small City	$50,000
Rural	$25,000

Required Documentation: Submit in Tab P:

- Commitment of funds describing the improvements, including sources and uses and estimated timeline for completion, and confirming the cost of improvements within the quarter-mile radius of the development meet the minimum cost requirements above. The commitment may be conditioned upon a successful RHTC application.
- Map showing a quarter-mile radius and the location and description of improvements. For scattered site projects, Applicant must ensure that IHCDA can determine a quarter-mile radius from each site.
- A narrative describing how the improvements will benefit the tenants
- Approval from the local jurisdiction for any improvements within a public right of way

Maximum Number of Points	**4**

L. Tax Credit Per Unit

All 9% applications will be ranked based on tax credit request per program unit (not including market rate units). Points will be based on the following distribution.

Lowest Tax Credit Per Unit	80th Percentile	60th Percentile	40th Percentile	20th Percentile	Below 20th Percentile
Points	4	3	2	1	0

NOTE: 4%/tax-exempt bond applications will not be scored in this category.

Maximum Number of Points	**4**

M. Internet Access

An application will receive up to four points for providing internet access to residents.

- One point if the Applicant commits to provide the necessary infrastructure for high-speed internet service in each unit; or

- Two points if the Applicant commits to provide free high-speed internet service for each unit; or

- Three points if the Applicant commits to provide free high-speed internet service for each unit if such service will be Wi-Fi.

- An application will receive one additional point if the Applicant commits to one of the options above and also to provide free Wi-Fi access in a common area, such as a clubhouse or community room.

Required Documentation: Completed Form A. If free internet service is provided to the tenants, then the operating budget must include a line item for internet expenses incurred by the Owner.

Submit the following in Tab T if providing free high-speed internet for each unit (two- or three-point option above):

- Documentation from the identified internet service provider establishing the total cost of internet service for the Development, either as a whole or on a per-unit basis; or

- If Applicant is unable to obtain such documentation from the provider, submit a narrative establishing how the amount budgeted for internet service was calculated.

Maximum Number of Points	4

Part 6.3 | Sustainable Development Characteristics

A. Building Certification

An application will receive two points if the Applicant commits to exceeding the minimum green standards and all buildings register for and receive one of the following certifications. For Developments with multiple buildings, all buildings must meet one of the following certifications to qualify.

- LEED Silver Rating

- Silver Rating National Green Building Standard

- Enterprise Green Communities

- Passive House

- Equivalent certifications that are accredited by the American National Standards Institute may qualify for points. Applicants wishing to use an alternative to those listed above must consult with IHCDA prior to application submission.

Required Documentation: Completed Form A. The Green Professional selected for the project must be part of the design team (but a separate person from the project architect or engineer) and that person must acknowledge all building certifications that are committed to in the team member's affidavit. Place in Tab J.

Maximum Number of Points 2

B. Water Conservation

An application will receive one point for installing one of the following types of high efficiency toilets. These items are interchangeable, and the Applicant does not have to select a particular option at the time of initial application.

- Ultra-low flush toilets (≤ 1 gal per flush)
- Dual flush toilets

Required Documentation: Completed Form A. The Green Professional selected for the project must be part of the design team (but a separate person from the project architect or engineer) and that person acknowledge all water conservation items that are committed to in the team member's affidavit. Place in Tab J.

Maximum Number of Points 1

C. Onsite Recycling

An application will receive one point for offering onsite recycling at no cost to residents.

Required Documentation: Completed Form A.

Maximum Number of Points 1

D. Desirable Sites

An application will receive points if the proposed Development will be in close proximity and accessible to desirable facilities. For scattered site projects, points will be calculated by taking the average score of all units.

Proximity to Amenities	3 Points
Transit-oriented	2 Points
Opportunity Index	7 Points
Undesirable Sites	-1 Point per undesirable feature
Total Points Possible	12 Points

Proximity to Amenities

This scoring category promotes Developments located near stores with fresh produce, civic or community facilities, services, retail, and healthcare.

An application will receive up to three points if the proposed Development is located within a half-mile radius of at least three facilities from the chart below (from a minimum of two columns) or within a one-mile radius of at least five facilities from the list below (from a minimum of two columns). One of the facilities must be a store with fresh produce, such as a supermarket or grocery store, to qualify for the maximum points in this category. Developments without access to fresh produce may still qualify for up to two points.

Stores with fresh produce must:

- Be currently established at the time of application
- Be a physical location that offers in-person transactions
- Have regular business hours

For the purposes of this scoring category, farmer's markets, produce stands, gas stations, convenience stores, dollar stores, and drug stores do not qualify as stores with fresh produce.

COLUMN A Civic or Community Facilities	COLUMN B Services	COLUMN C Retail	COLUMN D Healthcare
Community or recreation center Education facility (including K-12, college or university, adult education, vocational school, or community college) Cultural arts facility (museum, performing arts theater, etc.) Police or fire station Public library Public park Post office Government office with onsite public services Social services center	Bank Laundry or dry cleaner Gym, health club, exercise studio Licensed adult or senior care Licensed childcare Entertainment venue Hair salon or barber shop	Restaurant, café, diner Supermarket Other food stores with fresh produce (as defined above) Clothing store Dollar store (but does not count as store with fresh produce)	Pharmacy Doctor's or nurse practitioner's office Optometrist Dentist Physical therapy office Clinic Hospital Immediate care facility Federally qualified health center (FQHC) Community mental health center (CMHC)

Transit-Oriented

An application will receive two points if the proposed Development is located within a half-mile radius of fixed transit infrastructure.

- "Fixed transit infrastructure" is defined as light rail stations, commuter rail stations, ferry terminals, bus rapid transit stations, bus stops, major bus transit centers, or streetcar stops.
- If the fixed transit infrastructure does not yet exist, the transit investment must be planned, approved, and funded at the time of application. Verification of approval and funding must be provided.
- Small City and Rural set-aside Developments may qualify for points if the Applicant provides documentation of an established point-to-point transit service within a quarter-mile radius of the site. The point-to-point service must be available to all residents and must be available at least three days a week with either regular service hours or on-demand pick up. Rideshare apps or taxi service do not qualify.

Opportunity Index

An application may earn up to seven points, with one point for each factor, if, as of the application due date, the proposed Development is located within an area that meets the qualifications below:

- High income: A census tract at the top quartile for highest median household income in the state based on the most recent data from the US Census, if the Development is not within a QCT.
- Low poverty: A census tract at the bottom quartile for poverty rate in the state based on the most recent data from the US Census, if the Development is not within a QCT.
- Low unemployment rate: A county that has an unemployment rate below the State average. http://www.stats.indiana.edu/maptools/laus.asp
- Life expectancy: A census tract that has a life expectancy above the State average of 77.4 years based on the Centers for Disease Control and Prevention (CDC) U.S. Small-area Life Expectancy Estimates Project.
- Access to primary care: A county with a ratio of population to primary care physicians of 2,000:1 or lower. http://www.countyhealthrankings.org/app/indiana/2021/measure/factors/4/data
- Access to post-secondary education: A development that is within a one-mile radius of the physical location of a university, college, trade school, or vocational school. Classes must be held onsite at this location for the school to qualify. The radius may be extended to three miles if the Application qualifies for transit-oriented development points.

- Access to employment: A development that is within a one-mile radius of one of the 25 largest employers in the county. The radius may be extended to three miles if the Application qualifies for transit-oriented development points.
  http://www.hoosierdata.in.gov/buslookup/BusLookup.aspx

- One point will be deducted if the proposed site falls within a census tract that is defined as a Racially/Ethnically Concentrated Area of Poverty ("R/ECAP") by HUD.

  - This deduction will not apply to applications competing in the Preservation set-aside.

  - This deduction may result in a total score of -1 under the opportunity index scoring category if an application does not receive any of the opportunity index points above.

Undesirable Sites

If the proposed Development is found to be within a quarter-mile radius of sites that may pose a public or environmental health risk, then one point will be deducted for each undesirable site. However, points may be preserved if the Development includes the remediation of these issues (including brownfield or greyfield redevelopment).

Undesirable sites are defined as any sites that produce objectionable noise, smells, excessive traffic, hazardous activity, etc., such as junkyards, hazardous chemical factories, heavy manufacturing factories, power plants or stations, water or sewage treatment facilities, petroleum or other chemical storage, and active railroads with frequent traffic (based on the market study). Other undesirable sites not specifically listed above but noted in the market study may also result in negative points.

Required Documentation: Completed Form A and a site map indicating all desirable or undesirable sites. Place in Tab Q.

The map must contain a key stating the type of facility/activity identified, and must include the following:

- Location of site including an indication of major access roads
- Indication of a half-mile and one-mile radius from the site
- Areas of residential, industrial, or commercial development within the one-mile radius.
- All desirable facilities or activities, including locations of employers and educational facilities to claim opportunity index points if applicable
- All undesirable sites

The Applicant must submit a separate map for each site of a scattered site Development. Points will be awarded based on the average score for all units.

The market study must contain current interior and exterior photos of grocery stores that are being claimed for fresh produce points. Stock photos will not be accepted. Interior photos are not required if the store is part of a recognized grocery chain.

NOTE: If maps meeting the above requirements are located within the market study, no additional maps are required. However, the Applicant must indicate the page numbers where the information can be found within the market study in the notes section of the self-score sheet in Form A. See additional market study requirements in Schedule C.

Maximum Number of Points	**12**

Part 6.4 |Financing & Market

A. Leveraging Capital Resources

An application will receive points for a firm commitment of non-IHCDA public or private funds to be used as capital funding for the Development. A firm commitment must not require any further approvals. However, the commitment may be conditional based on a successful RHTC application.

This may include federal, state, or local government funds or private funds, including but not limited to the following examples:

- The outstanding principal balance of existing direct federal debt or subsidized debt that has been or will be assumed as part of an acquisition transaction
- Funds from a local community foundation
- Funds already committed under programs such as local HOME and CDBG or the Federal Home Loan Bank's Affordable Housing Program (AHP)
- Waivers, such as tax abatement or a Payment In Lieu of Taxes (PILOT), resulting in quantifiable cost savings that are not required by federal or state law
- The value of donated land or property
- Public or private funds structured as permanent loans with below market interest rates. Predevelopment, acquisition, construction, or bridge loans will not qualify.

Points will be awarded based on amount of leveraged resources as a percentage of total development cost:

% of Total Development Cost	Points
1.00-2.49%	1
2.50-3.99%	1.5
4.00- 5.49%	2
5.50-6.99%	2.5
7.00-8.49%	3
8.50-9.99%	3.5
10.00% or greater	4

Required Documentation: Place in Tab B

A letter from the appropriate authorized official approving the funds. The letter must identify the source and amount of funding specific to the proposed Development. In the case of tax abatement, the local unit of government must estimate the monetary amount.

If the principal balance of any existing publicly funded or subsidized loan is to be assumed as part of a proposed acquisition, the Applicant must submit approval of the loan assumption by the lender.

Land and building values must be supported by an independent, third-party appraisal.

For loans with below market interest rates, the lender letter must acknowledge that the rate offered is below its current market interest rate without any added fees or charges. The letter must disclose the current market interest rate and the proposed below market interest rate.

NOTE: An inducement resolution for bond volume will NOT be sufficient documentation to receive points.

Maximum Number of Points	4

B. Non-IHCDA Rental Assistance

An application will receive up to two points if the proposed Development has received a commitment of non-IHCDA-funded rental assistance from a federal or state program. The commitment can be conditional based on receipt of the tax credits, and in the case of Project Based Vouchers can be conditional on approval of subsidy layering review.

The rental assistance must meet the following criteria:

- Must be part of a federal or state rental assistance program
- Must be project-based rental assistance
- The term of the rental assistance agreement must cover at least the 15-year Compliance Period or have options for annual renewals.
- The rental assistance agreement must cover at least 20% of the units to receive two points or at least 10% of the units to receive one point.

Required Documentation: Place in Tab B. Commitment or conditional commitment letter from the funding agency. The letter must:

- Demonstrate that the rental assistance will meet all the requirements outlined above; and
- Must identify the payment standard used for setting rents

Maximum Number of Points	2

C. Previous 9% Tax Credit Funding within a Local Unit of Government

An application will receive three points if the proposed development site falls within the boundaries of a local unit of government (LUG) in which there has not been a 9% RHTC allocation within the last three allocation years.

If a proposed development site falls within the boundaries of a LUG in which there has been a 9% RHTC allocation within the last three allocation years, the application will receive points based on the total number of RHTC units funded within the boundaries of that LUG in the last three allocation years. For Developments with sites within the boundaries of multiple LUGs, points will be calculated by taking the average score of all units.

Total Number of RHTC Units	Points	Total Number of RHTC Units	Points
0 units	3.0 pts	126-150 units	1.50 pts
1 – 25 units	2.75 pts	151-175 units	1.25 pts
26-50 units	2.50 pts	176-200 units	1.00 pts
51-75 units	2.25 pts	201-225 units	0.75 pts
76-100 units	2.0 pts	226-250 units	0.5 pts
101-125 units	1.75 pts	251-275 units	0.25 pts
		276 or more units	0 pts

Maximum Number of Points	3

D. Census Tract without Active Tax Credit Projects

An application will receive three points if the proposed Development is in a census tract that does not contain any active RHTC projects of the same occupancy type (family, age-restricted, assisted living, or supportive housing) as defined below.

An application will receive 1.5 points if the proposed Development is in a census tract that contains exactly one other active RHTC project of the same occupancy type.

If the proposed Development qualifies under the Preservation set-aside and the project being preserved is the only active tax credit project currently in the census tract, then the Application will receive three points. In this way, IHCDA rewards applications that seek to preserve the only existing tax credit project in the area.

For purposes of this scoring category, an active tax credit project is defined as a 9% or 4% tax credit project that is in its 15-year Compliance Period or that has received a reservation of credits but has not yet been placed in service.

The following definitions apply to occupancy type:

- Family refers to any project that is not age-restricted, assisted living, or supportive housing.
- Age-restricted refers to a project that has elected to serve persons age 55+ or 62+ based on the Housing for Older Persons Act of 1995 definitions, if that project is not assisted living. If a project contains both independent senior and assisted living, that project will be classified as the type that has the most units. If there are an equal number of independent and assisted living units, the project will be classified as assisted living.
- Assisted living refers to an age-restricted project that provides assisted living services.
- Supportive housing refers only to supportive housing for persons experiencing homelessness. Integrated supportive housing projects will be counted as supportive housing.

Note: Community Integration set-aside projects providing supportive housing for persons with I/DD are treated as either age-restricted or family projects.

For Developments with units in multiple census tracts, points will be calculated by taking the average score of all units.

Required Documentation: Completed Form A (Application)

Maximum Number of Points	**3**

E. Housing Need Index

An application will earn up to four points with one point for each item below. Points will be awarded if, as of the application due date, the Development is located within:

- A county experiencing population growth, based on data from 2010-2019 pulled from STATS Indiana. A county is included in this list if it experienced positive net growth of at least 5% between 2010 and 2019 and experienced positive net growth between 2018 and 2019 (or the last two years for which data is available). When more current data becomes available, IHCDA will utilize that data for this scoring category and will announce to partners via RED Notice.

- A city or town in which 42% or more of renter households are considered rent burdened, based on HUD's Comprehensive Housing Affordability Strategy data. Rent burdened is defined as paying greater than 30% of household income on housing.

- A city or town in which 25% or more of renter households are considered to have at least one severe housing problem, based on HUD's Comprehensive Housing Affordability Strategy data. A severe housing problem is defined as incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, or cost burden greater than 50%.

- A city or town in which 25% or more of renter households are at or below 30% of Area Median Income, based on HUD's Comprehensive Housing Affordability Strategy data.

If a Development is in an unincorporated area or other area that is not listed as a "Place" in the HUD CHAS data set, the Applicant should contact IHCDA to determine how to score in this category.

See Schedule L for lists of qualifying areas and additional instructions on using the links above to determine if a county or city/town qualifies for these points.

Maximum Number of Points	4

F. Lease-Purchase

An application will receive two points if the proposed Development will offer homeownership opportunities to qualified tenants after the initial 15-year Compliance Period (per IRS Rev. Ruling 95-49). These points will be available only for single family, townhouse, or duplex units.

To qualify for these points:

- 100% of the units in the proposed Development must be made available as lease-purchase units.

- At least 50% of the units must be three-bedroom units or larger.

- Applicants must have a homeownership strategy and offer appropriate services to residents who inhabit the units during the Compliance Period. Please refer to Part 6.8D of IHCDA's *Rental Housing Tax Credit Compliance Manual* for additional lease-purchase requirements.

Note: Developments that are electing to be age-restricted or that are competing in the Housing First set-aside are not eligible for these points.

Required Documentation: Place in Tab R

- A detailed plan for the lease-purchase program that includes a limited partnership ownership exit strategy, homeownership counseling and other appropriate services for tenants, and a minimum amount of funds set aside by the owner to assist the resident in the purchase

- An executed agreement with the nonprofit organization that will implement the lease-purchase program

Maximum Number of Points	2

G. Leveraging the READI or HELP Programs

An application will receive up to four points if it is part of a regional plan and leveraging funding through one of the following programs:

- The Indiana Economic Development Corporation (IEDC) Regional Economic Acceleration and Development Initiative ("READI"); or
- The Indiana Office of Community and Rural Affairs (OCRA) Hoosier Enduring Legacy Program ("HELP")

The proposed Development must be a specific component of the approved regional development plan and the Development must receive and be enhanced by READI or HELP designated funds.

A Development is considered to be enhanced by READI or HELP funds if leveraging such funds allows the Applicant to request less IHCDA resources as follows:

- 2 points if the Applicant does not request additional IHCDA gap resources beyond the tax credits or bonds; and
- 2 points if the Applicant requests a basis boost of no more than 20% in determining the credit request.

Required Documentation: Completed Form A and submit the following documentation in Tab B:

- Commitment letter from IEDC or OCRA confirming that the Development is part of an approved READI or HELP regional development plan and is receiving dedicated funds through the initiative. Receipt of funds may be conditioned upon receiving an allocation of RHTC.

Maximum Number of Points	4

Part 6.5 |Other

A. Certified Tax Credit Compliance Specialist

1) Management: An Application will receive up to two points if the Management Entity contact person identified in the Development Team Information page in Form A has been certified through one of the designations listed in the chart below. A property management consultant or subcontractor does not qualify as an eligible Management Entity. The Management Entity contact must serve in a supervisory capacity and must be a different person than the designated Owner or Developer contact person.

One point will be awarded for the first certification and an additional point will be awarded for a second certification for a maximum of two points. To obtain two points, the certifications must be held by the same person who is the designated contact person in Form A.

2) Owner or Developer: An Application will receive one point if the Owner or Developer contact person identified in the Development Team Information page in Form A has been certified through one of the designations listed in the chart below. An Owner is defined as a principal of each general partner identified in the Owner Information chart within Form A. For nonprofit organizations, the executive director/president will be considered the Owner.

Certification	Sponsoring Organization	Website
Certified Credit Compliance Specialist (C3P)	Spectrum	www.spectrumseminars.com
Housing Credit Certified Professional (HCCP)	National Association of Home Builders	www.nahb.org
LIHTC + Blended Compliance or Tax Credit Compliance Specialist (TaCCs)	Quadel	www.quadel.com
Novogradac Property Compliance Certification (NPCC)	Novogradac	www.novoco.com
Site Compliance Specialist (SCS), National Compliance Professional (NCP), or National Compliance Professional- Executive (NCP-E)	Housing Credit College	www.housingcreditcollege.com
Specialist in Housing Credit Management (SHCM)	National Affordable Housing Management Association	www.nahma.org
Tax Credit Specialist (TCS or eTCS) or Tax Credit Specialist Advanced (TCSA)	National Center for Housing Management (NCHM)	www.nchm.org

Required Documentation: Provide copies of the certifications in Tab S.

Maximum Number of Points	3

B. Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE), Veteran-Owned Small Business (VOSB), and Service-Disabled Veteran-Owned Small Business (SDVOSB)

An application will receive up to five points for committing to use MBE/WBE/DBE/VOSB/SDVOSB entities. Points will be awarded per the chart below.

Definitions:

- MBE and WBE, including DMBE (Disadvantaged Minority Business Enterprise), DWBE (Disadvantaged Women Business Enterprise), and DMWBE (Disadvantaged Minority Women

Business Enterprise), mean an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more individuals who are United States Citizens and members of a racial minority group or female in gender as evidenced by certification from the Indiana Department of Administration Minority & Women's Business Enterprise Division or the Indiana Minority Supplier Development Council.

- A DBE is a for-profit small business in which socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. The Indiana Department of Transportation (INDOT) is the sole certifying agency for the Indiana DBE Program.

- A Service-Disabled Veteran Owned Small Businesses (SDVOSB) or Veteran-Owned Small Businesses (VOSB) is a small business that represents itself as veteran-owned and controlled and is certified by the Center for Veteran Enterprise (CVE). CVE performs the verification process and maintains the Department of Veterans Affairs (VA) Vendor Information Pages (VIP) database.

"Owned and controlled" is defined as follows:

- For owners and developers:
    - Ownership of at least 51% of the enterprise (stock of a corporation, interest in a limited liability company, or general partner of a limited partnership)
    - Control over the management and active in the day-to-day operation of the business
    - An interest in the capital, assets, and profits and losses of the business proportional to the percentage of ownership
    - Material participation in the management of the Development

- For contractors and management entities:
    - Ownership of at least 51% of the enterprise (stock of a corporation, interest in a limited liability company, or general partner of a limited partnership)
    - Control over the management and active in the day-to-day operation of the business
    - An interest in the capital, assets and profits and losses of the business proportional to the percentage of ownership.

A nonprofit entity is eligible to receive points as an Owner/Developer, General Contractor, or Management Agent if at least 51% of the members of the Board of the Directors are minorities, women, or persons with disabilities as evidenced by the organization's By-Laws, Charter, or Articles of Incorporation. The organization must be a 501(c)(3) tax-exempt nonprofit organization and must serve as the Applicant, Owner, or Developer for the project.

Firm/Entity	>5% of Total Soft Costs*	>10% of Total Soft Costs*
Professional Services	0.5 point	1 point

Firm/Entity	>5% of Total Hard Costs**	>10% of Total Hard Costs**
General Contractor	0.5 point	1 point

Firm/Entity	>8% of Total Hard Costs**	>15% of Total Hard Costs**
Sub-contractors	0.5 point	1 point

Firm/Entity	
Owner/Developer	1 point
Management Agent*** (minimum two-year contract)	1 point

*Total soft costs is the sum of architectural and engineering fees (section d of the itemized development costs in the Final Application) and soft costs listed in section h of the itemized development costs in the Final Application. Developer fee is not part of this calculation.

**Total hard costs is the sum of site work, new building, rehabilitation, accessory building costs, general requirements, contractor overhead, and contractor profit (lines c1-c7 of the itemized development costs in the Final Application).

***Management Agent must have control over all management activities for the Development. The Management Agent listed on the application must be used by the Owner for at least two years after Development completion unless the agent is guilty of material non-performance of duties. The Owner must request IHCDA approval for any substitution of Management Agent prior to the end of the two-year period.

Eligible Certification Summary Table		
Certification	Certifying Agency	Website
MBE	Indiana Department of Administration	https://www.in.gov/idoa/mwbe/minority-and-womens-business-enterprises/certified-business-search/
WBE	Indiana Department of Administration	https://www.in.gov/idoa/mwbe/minority-and-womens-business-enterprises/certified-business-search/
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2748.htm
VOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/
SDVOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/

Required Documentation: Completed Form A.

At the time of final application, the Owner will be required to provide applicable contracts and certifications demonstrating that the committed percentages have been met.

Maximum Number of Points	5

C. Unique Features

A 9% application will receive up to four points for proposing unique features that contribute to the Development or the surrounding community and that are not already considered as part of another scoring category. This may include unit and common area amenities, financial structure, community support, location, and/or services offered to all residents.

IHCDA scores applications by comparing all unique features proposed within an application round. Unique feature points are awarded at IHCDA's sole discretion using the distribution in the chart below.

% of applications	8%	13%	18%	22%	18%	13%	8%
Points	**4**	**3.5**	**3**	**2.5**	**2**	**1.5**	**1**

NOTE: 4%/tax-exempt bond applications will not be scored in this category.

Required Documentation: Place in Tab A. Unique Features Narrative, not to exceed one page, identifying all features for IHCDA to consider as unique. This narrative must be a separate document from the three-page Narrative Summary.

Maximum Number of Points	4

D. Resident Services

An application will receive up to eight points for a commitment to provide resident services. Qualifying services must be provided onsite at the Development and must be offered with regular occurrence. For scattered site Developments, services may be offered in a community building that is part of the Development.

CATEGORY	Level 1 Services 0.5 Points per Service	Level 2 Services 1 Point per Service
Health, Wellness, & Nutrition	Music Therapy	
	Animal Therapy	Physical Therapy
	Exercise Classes / Yoga Classes / Other Fitness Programs	Medication Delivery / Medication Assistance
	Nutrition Classes	Home Healthcare Services
	Food Cultivation or Preparation	Dental Services
	Meals on Wheels	Assisted Living Services

	HIV Counseling, Testing, & Education	Alzheimer's Care
	Vaccination clinics	Adult Daycare
	Family Caregiver Support Program	Substance Abuse Treatment
	Symptom Management	Behavioral and Mental Health Case Management
	Smoking Cessation	Peer Recovery Specialists
	Food pantry / free food access	Peer Support Groups
	Stress Management Classes	Parenting Classes/ Early Childhood Development Classes
	Family Planning and/or Pregnancy Support	Light Housekeeping Services
	Safe Needle Disposal	Narcan kept onsite with staff trained on how to administer
		Onsite staff receive and maintain CPR certification
Financial Capability	Financial Literacy Classes / Budgeting Workshops	Utility Assistance
	Tax Preparation Assistance	Matched savings accounts- must provide match, not just assist residents in applying for other match programs
	Individual financial counseling for savings goals, debt reduction, credit counseling, assistance opening bank accounts, etc.	Owner will offer to report rent payments to at least one of the three credit bureaus to help tenants build credit. Tenants may opt in or out of this service, but it must be offered to all tenants.
	Housing Counseling for Renters (renter's rights, budgeting, understanding your lease, etc.)	
	Fraud Prevention Workshops	
	Assistance applying for benefits (Social Security, Disability, SNAP, TANF, rental assistance, etc.)	
Workforce Development and Adult Education	Resume Building	Vocational Rehab Services
	GED and/or Adult Basic Education classes	
	Computer Training	
	Employment Search Services / Job Fairs	
	Job training	

	English as a Second Language (ESL) Classes	
Resident Engagement, Leisure, and Connection to Community	Art Classes	Transportation Services
	Sports League	
	Residents' Association	
	Book club, card game club, and/or board game club	
Youth Support	Tutoring	Daycare
	Early education enrollment support	After School Care and Programs
	School to college support	
	Youth leadership program	

All services chosen by the Applicant should conform to the needs of the Development and its residents. Services will be viewed as interchangeable within a column, provided the total number of services selected in each column remains the same.

The Applicant must submit a narrative describing how services will be funded. Any services paid from project cash flow must be included in the operating budget on Form A.

The Applicant must commit to tracking resident participation and outcomes related to services provided. In addition, the owner must survey residents at least annually to determine if services offered are appropriate and meeting the needs of the residents. IHCDA may ask for proof of tracking and surveys as part of its monitoring efforts.

Required Documentation: Completed Form A. Operating budget must reflect any services paid from project cash flow.

Evidence of the specific services selected, including copies of service agreements and an updated service budget with sources, must be submitted with the project's request for the issuance of Form 8609.

Maximum Number of Points	**8**

CORES certification: An application will receive two points if the owner, management company, or a third-party organization that will provide all aspects of resident services coordination has an active Certified Organization for Resident Engagement and Services (CORES) Certification through the Stewards of Affordable Housing for the Future (SAHF) at the time of application and commits to maintaining the certification throughout the Compliance Period.

Required Documentation: Submit in Tab T:

- Proof of CORES Certification for the owner, management company, or third-party organization
- If utilizing a third-party, copy of an executed MOU for resident services coordination

Maximum Number of Points	2

Resident Service Coordinator for Supportive Housing: An application that is eligible for the Housing First Set-aside or the Integrated Supportive Housing scoring category will receive two points if the owner or management company commits to one of the following:

- Providing a dedicated Resident Service Coordinator to work at least 20 hours a week onsite. The coordinator must have a dedicated office space at the Development; or
- Entering into a contract or Memorandum of Understanding with a third-party service provider for at least 20 hours a week of onsite resident services. The third-party provider must have a dedicated office space at the Development.

Required Documentation: Form A. Operating budget must reflect the costs of the Resident Service Coordinator.

If using a third-party provider, submit a copy of the MOU for a dedicated Resident Service Coordinator in Tab T.

Maximum Number of Points	2

E. Integrated Supportive Housing for Persons Experiencing Homelessness

An application will receive three points if the proposed Development is integrated supportive housing that was not designed through the Indiana Supportive Housing Institute ("Institute"), but which will be developed and operated by a team that previously completed the Institute. For this scoring category, integrated supportive housing is defined as housing in which between 20-25% of the total development units are designated as supportive housing for persons experiencing homelessness. Applications proposing that 100% of the units will be supportive housing are not eligible for points in this scoring category.

If the proposed development was developed through the Institute, the application is not eligible for this scoring category but is eligible to compete under the Housing First set-aside. The intent of this scoring category is to reward previous Institute teams that wish to develop additional supportive housing without going back through the Institute process.

To qualify for points:

1. The Applicant must obtain a letter from CSH certifying that:
   i. The primary team members (developer, management agent, and supportive service provider) have all completed a previous Institute together as a team.

ii. The project concept is aligned with Institute goals and the CSH Dimensions of Quality, including target population to be served and use of the Housing First model.

iii. CSH has reviewed and approved the proposed development, operating, and service budgets, tenant selection plan, property management plan, eviction prevention plan, and supportive service plan. The Applicant must submit their draft budgets and plans to CSH 60-90 calendar days prior to the tax credit application submission deadline in order to allow time for review and comments.

2. Applicant must enter into an MOU with CSH for ongoing technical assistance to be provided through at least the end of the first year of occupancy.

3. Applicant must enter into an MOU with each applicable supportive service provider.

4. Applicant must identify all subsidy sources for project-based rental assistance and funding commitments must be provided with the RHTC application. If the funding has not yet been committed, Applicant must provide proof of application, a narrative describing the selection process, and a narrative plan on how the Development will move forward if the application is denied. Applicants that have not completed the Institute for the specific project for which they are applying are NOT eligible to request IHCDA Project Based Vouchers or Section 811 Project Rental Assistance.

Required Documentation: Place in Tab O

- CSH letter as described above
- Copy of executed CSH MOU
- Copy of MOU with each applicable supportive service provider
- Documentation of commitment of subsidy sources for project-based rental assistance or narratives as described above

Maximum Number of Points	3

F. Reducing the Impact of Eviction

An application will receive up to three points if the Applicant commits to implementing strategies that reduce the impact of eviction on low-income households. Additional guidance is available on IHCDA's Eviction Prevention and Low-barrier Screening webpage.

- An application will receive two points if the Applicant commits to creating an Eviction Prevention Plan for the property. A qualifying Eviction Prevention Plan must be drafted prior to initial lease-up and submitted to IHCDA for review and approval. The plan must address how the property will implement management practices that utilize eviction only as a last resort and must describe strategies that will be taken with tenants on an individualized basis to attempt to prevent evictions when issues arise. The plan will be reviewed as part of IHCDA ongoing compliance monitoring to ensure it remains in place. In addition, the Applicant must agree to submit data on evictions as part of the Annual Owner Certification of Compliance reporting.

- An application will receive one point if the Applicant commits to implementing low-barrier tenant screening to minimize the impact of previous evictions on a household's ability to secure future housing. The Applicant must agree that the project's Tenant Selection Plan will not screen out applicants for evictions that occurred more than 12 months prior to the date the household applies for a unit. A qualifying Tenant Selection Plan must be drafted prior to initial lease-up and submitted to IHCDA for review and approval. The plan will be reviewed as part of IHCDA ongoing compliance monitoring to ensure this requirement remains in place.

Required Documentation: Completed Form A and an affidavit from the Management Agent. The affidavit must have specific language acknowledging that the Management Agent is aware that the Applicant has committed to implementing eviction prevention strategies. Place affidavit in Tab J.

Maximum Number of Points	3

G. Owners Who Have Requested Release Through Qualified Contract

To incentivize the preservation of affordable housing and protect the tax credit program by ensuring that owners are completing the 30-year extended use period for all tax credit projects, negative points will be assessed if the Applicant, Owner, and/or Developer has terminated the extended use period on an existing project.

Negative points will be assessed as follows:

- -2 points if the Applicant, Owner, Developer, or principal thereof has requested a Qualified Contract release for any one project in Indiana after January 25, 2021
- -4 points if the Applicant, Owner, Developer, or principal thereof has requested a Qualified Contract release on more than one project in Indiana after January 25, 2021
- -4 points if the Applicant, Owner, Developer, or principal thereof has experienced a foreclosure that resulted in the release of an extended use period on a tax credit project in Indiana after January 25, 2021

Maximum Penalty	-4

Section 7 - Miscellaneous

IHCDA will make reasonable attempts to reserve all available Rental Housing Tax Credits in one scheduled application cycle. A waitlist may be formed from those applications that did not receive a reservation of credits in the round. If additional credits become available, IHCDA may reserve credits for applications on the waitlist based on ranking on the waitlist and available funding.

Part 7.1 |Application Dates

2023 Annual 9% Rental Housing Tax Credit Round	
Application Deadline	Anticipated Reservation Date
July 25, 2022, 5:00 PM Eastern Time	November 17, 2022
2024 Annual 9% Rental Housing Tax Credit Round	
Application Deadline	Anticipated Reservation Date
July 31, 2023, 5:00 PM Eastern Time	November 16, 2023

2022 & 2023 Annual Private Activity Bond Rounds	
Application Deadline	Anticipated Reservation Date
N/A – Open application round	90-120 days from the application submission, with possible delays during the 9% application round

Part 7.2 |Fees

All fees must be paid through IHCDA's online payment portal. IHCDA will not accept checks for application fees. If a payment is returned for insufficient funds, the application will be immediately denied.

A. Application Fee

Applicants must submit a non-refundable $3500 application fee with each application. Additional fees may apply as follows:

- If the proposed Development contains sites in multiple jurisdictions, the Applicant must submit a $500 fee for each additional jurisdiction.
- If the Application requests IHCDA supplemental funding including HOME, Development Fund, Housing Trust Fund, or Project Based Vouchers, the Applicant must submit a $1000 supplemental application fee for each source requested.

B. Conditional Commitment Reservation Fee

Applicants receiving a reservation of RHTC for a proposed Development must pay a non-refundable reservation fee within 30 days after the date of a Conditional Commitment. This fee equals the greater of 6.5% of the annual RHTC amount for the Development or $15,000.

C. Additional Fees

IHCDA will impose a fee for any costs incurred for additional services requested by or required of the Applicant, Owner, or Developer. Each fee must be paid at the time of request and must be received before IHCDA will proceed.

The following is a non-exhaustive list of fees for typical services.

Amount	Description of Fee
$500	Fee to request the waiver of a threshold requirement prior to application submission
$500	Resubmission fee for each correction to remedy a technical error identified during threshold review
$1,000	Modification fee to request changes in the characteristics of the Development, such as unit type, income and rent limit distribution, etc. Note: Additional $1500 fee will apply if the modification requires legal documents to be amended
$1,000	Loan modification fee to request changes to IHCDA loan terms after execution of a Letter of Interest (LOI) Note: Additional $1500 fee will apply if the modification requires legal documents to be amended
$1,500	Legal modification fee if an approved modification requires IHCDA to amend legal documents, including but not limited to the Extended Use Agreement (lien) and any loan documents
$1,000	Re-underwriting fee if changes to the sources and uses or pro forma require IHCDA to re-underwrite prior to loan closing. This fee does not apply if the re-underwriting is part of another modification request and a $1000 modification fee has already been submitted.

$1,000*	Fee to request an extension to any deadline established in the QAP, Schedules, or Appendices *The amount of the fee will increase by $500 for each subsequent extension request. For example, the second extension request for the same deadline would be $1500.
$1,500	Fee to request an amended IRS Form 8609 due to an error in the Final Application documentation
$1,500	Fee to request an amended Carryover Agreement resulting from a change in the Building Identification Numbers, errors in the legal description, etc.).
$1,500	Fee to request changes in the ownership structure prior to issuance of Form 8609
Varies	Reinspection fee if inspector must return to a site: (1) to follow-up on issues identified in the initial inspection, (2) because the owner agent was not available at the designated time for the initial inspection, or (3) due to other reasons that limited the inspector's access during the initial inspection. See part 7.8C of the *Rental Housing Tax Credit Compliance Manual*.

Part 7.3 | Use of Forms

IHCDA requires the use of the forms published as part of this QAP, as amended from time to time. Any deviations from or changes to such forms must have prior written approval from IHCDA.

Part 7.4 | Progress Inspections

IHCDA's inspector must be notified in writing via Form P: Construction Notification Form when construction begins. The inspector will conduct periodic progress inspections throughout the construction period, and the Developer agrees to comply with all such inspections.

As part of a progress inspection, IHCDA's inspector may request proof that Recognized Environmental Conditions (RECs) are being properly mitigated or that such RECs are covered by an IDEM Comfort Letter.

Part 7.5 | Changes in Ownership

A. General Requirement

If a change in ownership occurs, a detailed description of the change must be provided in writing to IHCDA via the Property Ownership Change Form (IHCDA Compliance Form #29).

If the change in ownership or transfer request is made prior to issuance of IRS Form 8609:

- IHCDA must approve the change
- A $1500 ownership change fee must be paid
- Failure to notify IHCDA of changes in ownership prior to issuance of IRS Form 8609 could result in the allocation being rescinded and/or other penalties.

If the change in ownership or transfer request is made after issuance of IRS Form 8609:

- IHCDA must be notified of the change
- IHCDA must approve the change if the Development has other IHCDA financing (including any grants, loans, or project-based rental assistance) or is subject to the nonprofit material participation requirements of the Qualified Nonprofit set-aside.

See Schedule B for IHCDA's Ownership Change procedures.

B. Nonprofit Right of First Refusal

IRC Section 42(i)(7) provides nonprofit general partners a Right of First Refusal (ROFR). The ROFR can be used to obtain eventual ownership of the property at a minimum purchase price equivalent to the outstanding debt plus exit taxes. The provision allows nonprofit general partners to gain ownership of RHTC properties as their investors exit after Year 15 of the compliance period.

To ensure that nonprofit general partners have this ROFR, either the Limited Partnership Agreement (LPA) or a separate ROFR Agreement must include specific language acknowledging the nonprofit general partner's ability to exercise the ROFR. The ROFR Purchase Price should be the minimum purchase price permissible under Section 42(i)(7)(B). IHCDA will review the LPA or ROFR agreement prior to issuance of Form 8609 to ensure this requirement has been met.

Part 7.6 | Modifications

Modifications to the Development that affect threshold requirements, scoring items, or IHCDA financing terms without prior written approval from IHCDA may result in a reduction or rescission of IHCDA funding.

To request a modification, the following documentation must be submitted to IHCDA:

a. Formal written request, signed by the Applicant, Owner, and Developer if different entities, detailing (1) the specific request, (2) the reason the modification is needed, and (3) the impact to the project in the event the modification is not approved.

b. Modification fee of $1,000. *Note: additional fees will apply if legal documents must be amended or the modification requires IHCDA to re-underwrite the application, per the fee chart in Part 7.2.
c. Updated Form A that reflects changes to the original application based on the proposed modification.
d. Additional supporting documentation, including proof that the equity investor has approved the modification, may be requested by IHCDA.

IHCDA will only consider modification requests to change the Development site in the case of a scattered site Development where the site to be modified contains two or less units.

Failure to maintain the application's final score from initial application to final application may result in penalties, including but not limited to a fine and/or suspension. The penalty will apply to the Applicant, Owner, Developer, and other applicable Development Team members at the sole discretion of IHCDA.

Part 7.7 |Carryover Allocations and Lock-In Agreements

The Carryover Agreement or Lock-In Agreement along with all supporting documentation must be submitted by the IHCDA established deadline. IHCDA requires the use of the Carryover, Lock-In Agreement, and 10% Cost Certification forms provided with this QAP.

Part 7.8 |Issuance of IRS Form 8609

The Final Application and Final Cost Certification package to request IRS Form 8609 may be submitted to IHCDA any time after the Development has been placed in service, but no later than six months thereafter. Certain documents must be submitted sooner, if noted below. The owner must submit, at a minimum, the following documentation:

a. Pre-8609 Physical Inspection Request Form (Form H): This form must be submitted within 30 days after the Development is placed in service. IHCDA will then conduct a physical inspection (the "Pre-8609 Inspection") of the property. All deficiencies noted during the physical inspection must be addressed before IHCDA will issue IRS Form 8609.

b. If Recognized Environmental Conditions which affect air quality were identified in the Phase I ESA, an air quality test must be completed prior to lease-up of any units and the results of the test must be submitted to IHCDA along with Form H. The air quality test must demonstrate that Volatile Organic Compounds (VOCs) are not present.

c. Completed Final Rental Housing Finance Application (Excel and PDF) and Cost Certification (PDF)

d. Copy of Final Score Sheet demonstrating that the Applicant has maintained the score from the Initial Application. Failure to maintain the project's final score from initial application to final application may result in penalties, including but not limited to a fine and/or suspension. The penalty will apply to the Applicant, Owner, Developer, and other applicable Development Team members at the sole discretion of IHCDA.

e. A Certificate of Occupancy or Certificate of Substantial Completion (if rehabilitation) for each building in the Development (PDF)

f. Copies of all construction financing documents (PDF)

g. Recorded copies of all permanent financing closing documents (PDF)

h. Current Limited Partnership Agreement or limited liability company operating agreement, including all exhibits and schedules executed by the limited and general partners or managing members. If the general partner is a nonprofit organization, the partnership agreement must include the Right of First Refusal language per Section 7.5B of the QAP or must include a separate ROFR Agreement. (PDF)

i. Recorded Lien and Extended Use Agreement executed by Owner, lender, and IHCDA. IHCDA will prepare a copy of the lien for review and execution. This lien must be recorded before the Final Application is submitted and before the end of the first year of the credit period. When possible, IHCDA prefers that the lien is recorded at the time of construction loan closing.

j. Prior to request for IRS Form 8609, an agent of the property management staff must have attended an IHCDA sponsored tax credit compliance workshop or completed the online Housing Credit College course entitled “Housing Credit 300: Compliance Basics for Indiana Properties” within the last year.

k. Executed Development Agreement (PDF)

l. Copy of deed showing partnership as owner (PDF)

m. Executed Management Agreement (PDF). The agreement between the owner and the management agent must be for a minimum of two years effective from the placed-in-service date. If replacement of the management agent is warranted prior to the expiration of the two-year period and the Development received points for utilizing a MBE/WBE/DBE/VOSB/SDVOSB management company, then the replacement management company must also satisfy these criteria.

n. Photographs of the completed Development (exterior and interior)

o. Documentation of MBE/WBE/DBE/VOSB/SDVOSB participants including a copy of the signed contract/agreement and a copy of the entity’s applicable certification (PDF)

p. Owner affidavit of resident services being provided by the Development

q. Any other documents that IHCDA may require in determining the final amount of RHTC to be allocated to the Development and the Development's conformance with the requirements of Section 42 (PDF)

IHCDA anticipates issuing IRS Form 8609 within 90 business days after the requested materials have been submitted. Incomplete or insufficient documentation will result in a delay of issuance.

Part 7.9 | Dissemination of Information

Any application and supporting documentation submitted to IHCDA for an allocation of RHTC or Private Activity Tax-exempt Bonds is available for dissemination and publication to the general public via the IHCDA public records request process.

Part 7.10 | Exchange of Credits

An Applicant may return previously reserved credits to IHCDA in exchange for a reservation of current year credits in an amount not to exceed the amount of the returned credits. The Applicant must establish that, despite its timely and diligent efforts, it is in jeopardy of failing to meet the placed-in-service deadline for the building with respect to which the prior credits were reserved. Such a delay must be the result of either:

- Litigation brought by parties other than the Applicant that the Applicant could not have anticipated; or
- Catastrophic events that the Applicant could not reasonably have anticipated or controlled.

To qualify for an exchange of credits, the Applicant must provide supporting documentation with evidence of:

- Due diligence performed by the Applicant in attempting to meet the placed-in-service deadline
- The specific circumstances causing the delay
- The measures taken by the Applicant in order to mitigate the delay
- Any other information that may be requested by IHCDA.

No more than one exchange of credits may be approved with respect to a given Development. To request an exchange of credits an Applicant must submit the following to IHCDA, no later than November 1st of the year in which the Development is required to be placed in service (based on the original reservation)

- A narrative describing the need for the exchange of credits and all attempts by the Applicant to meet the original placed-in-service deadline.
- A new Form A

- The application fee set forth in Part 7.2
- Payment of a nonrefundable reservation fee of 4.0% of the annual amount of Rental Housing Tax Credits for the Development
- Supporting documentation of the Development's continued eligibility under the requirements of the QAP as in effect at the time of the original reservation, including proof of continued financial feasibility

To complete the exchange, the original carryover allocation must be returned under Section 42 Treasury Regulation 1.42-14 and a new carryover allocation must be completed.

Part 7.11 |Requesting Additional IHCDA Resources after a Credit Reservation

Developments that request additional IHCDA resources after receiving a tax credit reservation will be subject to sanctions if the funding request is approved by IHCDA's Board of Directors. Possible sanctions are at the sole discretion of IHCDA and may include:

- Up to two-year suspension of the Applicant, Owner, Developer, and/or other applicable Development Team members.
- A fine to the Applicant, Owner, Developer, and/or other applicable Development Team members.

This penalty does not apply to Developments applying for short-term construction or equity bridge loans.

Part 7.12|Performance Violation

IHCDA, in its sole discretion, shall have the right to impose the following sanctions upon Applicants, Developers, Owners, consultants, management agents, contractors, or any other applicable Development Team member for failure to perform or comply with the commitments made in the initial or final application or with the policies and procedures of the QAP.

- Fines
- Reduction or Recission of Credits
- Suspension and/or Debarment: IHCDA may suspend a Development Team member who is suspected of misusing, abusing, or otherwise failing to use IHCDA resources properly, pending completion of an investigation. IHCDA may debar a Development Team member on reasonable evidence that the Development Team member has behaved or is behaving improperly with regard to IHCDA resources, whether intentionally or unintentionally. The difference between suspension and debarment is that a suspension is used to allow IHCDA to determine whether a debarment or other action is warranted pending completion of an investigation. Therefore, a suspension is intended to be an indefinite but temporary measure until IHCDA determines

whether debarment is appropriate. Upon determination that a Development Team member will be suspended, IHCDA will issue a written notice of the suspension. Following completion of the investigation, IHCDA will send the Development Team member a written notice of its final decision.

Part 7.13| Ongoing Reporting and Compliance

All Applicants that receive a RHTC allocation must comply with the Code and all requirements of *IHCDA's Rental Housing Tax Credit Compliance Manual,* as amended from time to time.

Owner and Management Agents must list all IHCDA-funded properties in the housing locator tool at www.indianahousingnow.org and must submit Annual Owner Certifications and tenant events through the IHCDA Online reporting system.