State of Indiana
~~2009 – 2010~~2011 Qualified Allocation Plan

This "Allocation Plan" constitutes the "Qualified Allocation Plan" for the State of Indiana (the "State"), and is intended to comply with the requirements set forth in Section 42 of the Internal Revenue Code of 1986, as amended, including all applicable rules and regulations promulgated there under (collectively, the "Code"). As used herein, "Applicant" shall include any owner, principal and participant, including any affiliates. This Allocation Plan applies to all allocations of rental housing tax credits ("RHTCs") pursuant to Section 42 of the Code, multifamily private activity tax-exempt bonds ("Bonds"), Rural Preservation Loan Fund, Indiana Affordable Housing and Community Development Fund, and HOME Investment Partnership funds ("HOME") in conjunction with RHTCs (collectively "Rental Housing Financing Programs") made in calendar years 2009-2010 and sets forth: (A) the role of the Indiana Housing and Community Development Authority ("Authority") ("IHCDA") in administering the Rental Housing Financing Programs; (B) housing goals of the Authority based on the perceived needs throughout the State; (C) Guidelines for Developments receiving RHTCs in conjunction with Private Activity Tax-Exempt Bond Financing; (D) "set aside" categories established by the Authority pursuant to the Code and Indiana law to further the accomplishment of the State's housing goals; (E) minimum threshold requirements which all Applicants and housing Developments must satisfy in order to be considered by the Authority for Rental Housing Financing; and (F) evaluation factors which the Authority will consider in analyzing each application that satisfies all applicable minimum requirements.

A. Role of Authority

The Authority is empowered to act as the housing credit agency for the State to administer, operate and manage the allocation of RHTCs, also known as the Low-Income Housing Tax Credit program, pursuant to Section 42 of the Code and this Allocation Plan.

The actions, determinations, decisions or other rulings made by the Authority pursuant to this Allocation Plan shall not be construed to be a representation or warranty by the Authority as to a Development's compliance with applicable legal requirements, the feasibility or viability of any Development or of any other matter whatsoever, and no action of the Authority shall be relied upon by any person as a representation or warranty by the Authority in connection therewith.

The Authority reserves the right to resolve all conflicts, inconsistencies or ambiguities, if any, in this Allocation Plan or which may arise in administering, operating or managing the allocation of Rental Housing Financing Programs. The Authority in its sole discretion reserves the right to, and may from time to time, amend this Allocation Plan, pursuant to the Code, for any reason, including to assure compliance with applicable federal, State or local law and regulations there under which may be amended and/or enacted and promulgated, from time to time and/or to terminate the Program.

The Authority reserves the right to allocate resources to lower ranked proposals to achieve a better mix of resource usage or better geographical distribution of resources as described above, or for any other reason judged by the Authority to be meritorious. Such actions will be made at the Authority's sole and absolute discretion. Any decision the Authority makes, and any action or inaction by the Authority in administering, managing, and operating the system, shall be final and conclusive and shall not be subject to any review, whether judicial, administrative or otherwise,

B. Authority's Housing Goals

The selection criteria set forth in this Allocation Plan include, in part, consideration of: (1) Development location; (2) housing needs characteristics; (3) Development characteristics, including whether the Development uses existing housing as part of a community revitalization plan; (4) sponsor characteristics; (5) tenant population with special housing needs; (6) the existence of a public housing waiting list; (7) tenant populations of individuals with children; (8) Developments intended for eventual tenant ownership; and (9) Permanent Supportive Housing.

This Allocation Plan:

1. Has been established by the Authority utilizing the selection criteria required by the Code in determining housing priorities of the Authority, which are appropriate to local conditions;

2. Gives preference in allocating Rental Housing Financing among selected Developments that meet the Authority's Housing Goals.

   The Authority's goals are to support and encourage Developments that:

   a. Serve the lowest income tenants, with set-aside units for tenants at or below 30% of the area median income rent levels, and provide documentation of financial and supportive capacity, in the opinion of the Authority, to make the Development financially viable for the compliance period;

   b. Minimize displacement of existing tenants;

   c. Are located in qualified census tracts ("QCTs") and/or difficult development areas ("DDAs") (as designated by the Secretary of the Department of Housing and Urban Development ("HUD"), and/or Areas of Chronic Economic Distress as designated by the State and approved by the Secretary of the Treasury and the Secretary of HUD (See Appendix F), and the development of which contributes to a concerted community revitalization plan;

   d. Substantially upgrade and preserve existing low income housing and are a part of a published community revitalization plan;

   e. Are obligated to serve tenant populations with special housing needs;

   f. Minimize possible negative impact on existing affordable housing units in an area;

   g. Increase the supply of Permanent Supportive Housing through community-based partnerships for homeless individuals and families.

3. Provides procedures that the Authority (or an agent or other private contractor of the Authority) will follow in monitoring for compliance with the provisions of the Code notifying the Internal Revenue Service of any noncompliance of which the Authority becomes aware, and in monitoring for compliance with habitability standards through regular site visits.

C. Housing Priorities

After considering the housing needs identified, the Authority has established certain housing priorities for the allocation of RHTCs to better enable the Authority to achieve its housing goals. In connection therewith, the Authority seeks to encourage and promote:

1. Comprehensive Community Development

   While the opportunities and challenges may vary from Adeyville to Angola or Patriot to Peru, every community strives to be a place where people choose to live, work, and play. Comprehensive development means that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because of the unique synergy they generate. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. Comprehensive development marshals resources and deploys coordinated strategies in a concentrated area to create opportunities for others in the community to take prudent risks and reap the rewards. The demolition of blighted structures, the rehabilitation of long-vacant housing and the creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

2. Aging in Place

   Aging in place refers to adapting our living environment so that it is safe, adaptable and comfortable, increasing the likelihood that everyone can remain independent and continue to thrive in their homes as circumstances change. While the primary target populations for aging in place strategies are seniors and persons with disabilities, everyone benefits from buildings and communities that are accessible, visitable, and livable.

3. Ending Homelessness

   Merely *managing* homelessness is in no one's best interest. IHCDA and its partners are focused on systematically preventing and ending homelessness for those most vulnerable in our communities. By identifying an individual's or family's barriers to self-sufficiency and targeting the most appropriate housing solution, we can help to minimize the number of people that enter the homelessness delivery system and the duration of time they spend in it. For the chronically homeless--those who cycle through health care institutions and correctional facilities seeking services and shelter--we can link services with housing to provide stability for them and reduce the burden on other community systems. Ultimately, our collective goal is to ensure that everyone has a place to call home.

4. High Performance Building

   How we create community solutions is just as important as what solutions we implement. High performance building helps to create community assets that contribute to neighborhood

revitalization over the long term. Done right, high performance building minimizes environmental impacts and operating costs while maximizing both quality and sustainability.

1. ~~Developments which will require an allocation of Rental Housing Financing for the acquisition (if applicable), development and/or rehabilitation of such Development to become a reality.~~

2. ~~Developments that will be of quality design, financially feasible and otherwise viable as a qualified low-income housing Development throughout the compliance period.~~

3. ~~Distribution of Rental Housing Financing among Large Cities, Small Cities and Rural Areas, while emphasizing those areas identified as having greater housing needs.~~

4. ~~Rehabilitation which substantially upgrades and preserves existing low-income housing and is part of a published community revitalization plan.~~

5. ~~Developments which meet special needs in a community or area, such as permanent supportive housing for the homeless, or larger families, mixed income or specially equipped Developments for the elderly and disabled.~~

6. ~~Developments that provide housing for the lowest income households for the longest period of time possible.~~

7. ~~Developments that provide housing for the lowest income households providing optional supportive services.~~

D. Private Activity Tax-Exempt Bond Financing

Pursuant to the Code, Developments that do not receive a direct allocation from the Authority because such Developments qualify for the four (4%) percent RHTCs under the Code, must nevertheless satisfy and comply with all requirements for an allocation under this Allocation Plan and the Code. See Schedule D - Private Activity Tax-Exempt Bond Requirements.

Applicants requesting to have the Authority act as the Issuer for the Tax-Exempt Bond Financing and meet all requirements under the Allocation Plan, Code and Schedule D.

[Note: A Development that has applied for and/or received an allocation of tax-exempt bond authority will not be eligible for an allocation of nine (9%) percent RHTCs for said Development.

E. Set Aside Categories

The Authority believes it can best achieve its housing goals by establishing set aside categories based on: (i) development by qualified not-for-profit organizations; (ii) special housing needsCommunity Impact; (iii) Elderly; (iiiv) Development location; (iv) Preservation; and (vi) Developments which serve the lowest income. More than one (1) set aside category may be addressed by a Development, depending upon the location, characteristics and whether the owner is a qualified not-for-profit organization. However, a Development may only compete in one (1) Development Location set aside.

Note: There are no set aside categories for Bond financed Developments.

The Authority's "housing tax credit ceiling" for allocation in any one year is determined by the sum following of the following components:

1. Per Capita Credits – determined by the State's population.
2. Carry Forward Credits – if the Authority is unable or chooses not to allocate all the rental housing tax credits in any one year, the unused credits will be carried forward for allocation in the succeeding year.
3. Returned Credits – credits that are returned from developments that received an allocation in previous years may be made available for allocation in the year the credits are returned or the succeeding year if returned after September 30th.
4. National Pool - if the Authority is able to allocate the tax credits to a de minimis amount in any one year, the State is then eligible to receive additional credits from a pool of credits returned unused by other states.

The set aside categories, their respective requirements and amount of the annual RHTCs allocated are described below. The Authority may exceed the award limitations identified in Sections E.1, E.2, E.3, E.4, and E.5, and E.6 in order to completely fund a development request.

% of Available RHTCs	Set Aside Category	
10%	Qualified Not-for-profit	
10%	Special Housing NeedsCommunity Impact	
10%	Elderly	
10%	Large City	
10%	Small City	
15%10%	Rural	
	5%	USDA 515 Rural Development
20%	Preservation	

~~5~~10%	Housing First
10%	General

1. **Qualified Not-for-profit**

10% of available annual RHTCs will be set aside for Developments in which the "qualified not-for-profit organization" owns 100% of the general partner interest, receives at least 25% of the developer fee (if any developer fee is deferred, the for-profit's and not-for-profit's deferral must be proportionate to the amount of developer fee they are to receive), and materially participates in its operations, as such terms are defined in and pursuant to Section 42 of the Code and this Allocation Plan. [Note: 100% general partner ownership interest is only required by a qualified not-for profit for consideration in this set-aside and does not preclude joint ventures in any other set-aside].

Qualified Not-for-profit Organization Requirements:

A not-for-profit organization shall not constitute a "qualified not-for-profit organization" if the not-for-profit organization is affiliated with or is controlled by a for profit organization. To constitute a qualified not-for-profit organization throughout the compliance period: (i) one of the not-for-profit organization's exempt purposes must include the fostering of low-income housing, (ii) the not-for-profit organization must own 100% of the general partner interest in the Development, (iii) the not-for-profit organization must materially participate (as defined in Section 469(h) of the Code) in the development and operation of the Development, (iv) the not-for-profit organization must comply with all other Sections of the Code applicable to not-for-profit organizations, and (v) has no part of its net earnings to the benefit of any member, founder, contributor, or individual. The not-for-profit must have been in existence at least one year prior to the date of application, with affordable housing as one of its primary goals.

Required Documentation: At the time of application, Articles of Incorporation or its formation documents for the not-for-profit, IRS documentation of tax-exempt status (e.g. §501(c)(3)), and a complete signed original Not-for-Profit Questionnaire (Form B) with required attachments must be submitted by the Applicant and placed in Tab B.

2. **Community Impact**

10% of available annual RHTCs will be set aside for Developments that, through its formation, are an important part of a broader or comprehensive program of neighborhood improvement, and which has the capability of fundamentally changing the character of a neighborhood. These developments should be able to show, in measurable terms, how the community will be impacted. This should include local municipal support articulated in a community plan or in the form of significant funding commitments from the local unit of government, evidence of substantial major investment in the area that is consistent with an existing comprehensive community plan for

improvement. These funding commitments or major investments should not be received solely from the development of Tax Credit properties. Generally, the overall development plan should include municipal support, private investment and/or private sector commitments to the redevelopment area.

Applicants should articulate and demonstrate how the development will fulfill or achieve a "community changing" effect on the neighborhood, citing and evidencing as many of the attributes as possible to be considered under this set aside. The applicant must be able to demonstrate a commitment of sufficient resources to substantiate that the strategy has a reasonable chance of implementation-.

3. Elderly

~~**2. Special Housing Needs**~~

~~a. 10% of available annual RHTCs will be set aside for units that provide residential housing for "special needs populations", pursuant to Indiana Code ("IC") 5-20-1-4.5. Special needs populations includes the following:~~

~~1) Persons with physical or developmental disabilities.~~
~~2) Persons with mental impairments.~~
~~3) Single parent households.~~
~~4) Victims of domestic violence.~~
~~5) Abused children.~~
~~6) Persons with chemical addictions.~~
~~7) Homeless persons.~~
~~8) The elderly.~~

~~The Authority shall allocate RHTCs under this section based on the proportionate number of set aside units of a qualified building that are used to provide residential housing for persons with disabilities. The Authority shall hold, if available, the allocation to the set aside category for persons with a disability through October 31 of each calendar year and beginning November 1 of each such calendar year, any part of such allocation that remains unassigned shall be available for any other appropriate allocation.~~

~~b.~~ 10% of available annual RHTCs will be set aside for Developments specifically designed for use by elderly tenants. Elderly is defined, for the purpose of this Allocation Plan, as those persons 55 years of age or older on or before the date of initial occupancy. No less than eighty percent (80%) of the housing units shall be restricted for and solely occupied by at least one resident in each unit who is 55 years of age or older (Owners considering and/or receiving an allocation under this set aside should be familiar with the Housing For Older Persons Act (an amendment to the Fair Housing Act) and the Implementation of the Housing For Older Persons Act Final Rule.)

~~3.~~4. Development Location

All Applications for RHTCs will compete in only one Development Location set aside defined below:

a. 10% of available annual RHTCs will be set aside for Developments located within a Large City. For purposes of this set aside Large City is defined as a city with a population of 75,000 or more (See Appendix D). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer). ~~Each Large City will be limited to $1,000,000 in annual RHTCs per funding year for new construction developments. IHCDA will permit an exception to the limit where the Development is part of a Revitalization Plan (a copy of the approved Revitalization Plan [J1]must be submitted in Tab A in order to be considered for this exception) or the Development entails the demolition and decentralization of units with replacement of units on the same site.~~

b. 10% of available annual RHTCs will be set aside for Developments located within a Small City. For purposes of this set aside Small City is defined as a city with a population of 15,000 – 74,999 (See Appendix E). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer). ~~Each Small City will be limited to $800,000 in annual RHTCs per funding year for new construction developments. IHCDA will permit an exception to the limit where the Development is part of a Revitalization Plan (a copy of the approved Revitalization Plan must be submitted in Tab A in order to be considered for this exception) or the Development entails the demolition and decentralization of units with replacement of units on the same site.~~

c. ~~15~~10% of available annual RHTCs will be set aside for Developments located in areas designated as "Rural," where the Development's location meets one of the following:

a. The Development is located within the corporate limits of a City or Town with a population of 14,999 or less; or

b. The Development is located in an unincorporated area of a county that does not contain a City or Town that meets the definition of Large City or Small City as set forth in the QAP; or

c. The Development is located in an unincorporated area of a county whereas;

i. The Development is outside the 2-mile jurisdiction of either a Large City or Small City as defined in the QAP; and

ii. The Development does not have access to public water or public sewer from either the Large City or Small City as defined in the QAP.

~~c.~~d. ~~with a population of 14,999 or, and/or Developments utilizing Rural Development Funding. . Each County that has a designated "Rural" area will be~~

~~limited to $800,000 in annual RHTC per funding year for new construction developments. IHCDA will permit an exception to the limit where the Development is part of a Community Revitalization Plan (a copy of the approved Community Revitalization Plan must be submitted in Tab A in order to be considered for this exception) or the Development entails the demolition and decentralization of units with replacement of units on the same site.~~

~~One-third (5 %) of total available annual RHTCs of the rural location set-aside's annual RHTCs will be reserved for developments proposing the acquisition and rehabilitation or rehabilitation of current properties financed with United States Department of Agriculture (USDA) Rural Development Section 515 mortgages (RD 515) listed on an Eligible Properties list provided by USDA. A copy of the Eligible Properties list can be found on IHCDA's website at http://www.in.gov/ihcda/. RHTCs not used by Eligible Property applications will be first rolled back into the main rural location set-aside.~~

If any part of the State of Indiana is officially declared a disaster area by the Governor, the Authority may give preference to Developments in this area which will assist in providing affordable housing to people affected by the disaster. In order to be considered for this priority the Development must provide the following information in Tab A:

1) Documentation that the Development has been officially declared a disaster area by the Governor.
2) A narrative description of how the proposed Development will help the area and the individuals affected by the disaster.

~~4.~~5. Preservation

20% of available annual RHTCs will be set aside for Developments which involve the substantial rehabilitation (as outlined in the property's Capital Needs Assessment – See Schedule F) of an existing structure (affordable or market rate housing, or otherwise) and/or a Development otherwise in danger of being lost as affordable housing, and/or the demolition and decentralization of housing units utilizing the same site (over 50% of the units must be replaced in the Development/Application).

This includes:

a. Developments being removed by a federal agency (i.e. HUD, Rural Development (RD));
b. Rental Housing RHTC Developments with Compliance Periods that have expired or are expiring in the current year;
c. Developments which entail demolition and decentralization of units with replacement of units on the same site as described above; and
d. Re-use of an existing structure(s) for conversion into affordable housing where a minimum of 75% of the Development is converted to affordable housing and/or its common areas (100% of the existing structure must be part of the overall Development).

Rehabilitation hard costs must be in excess of $~~15~~30,000 per unit to be considered in this category.

For Developments competing in all other set-asides, rehabilitation hard costs must be in excess of $~~1~~20,000 per unit.

The cost of furniture, construction of community buildings and common area amenities are not included in the minimum per unit amount. The applicant must provide a hard cost budget separating out the cost for furniture, construction of community buildings and common area amenities. Place in Tab L.

~~5.~~6. Housing First

~~5~~10% of available annual RHTCs will be set aside for Housing First Developments that further the creation of community-based housing that targets the extremely low income (less than 30% AMI) with intensive service programs. Housing First is an innovative approach to engage and rapidly house individuals who are homeless into permanent supportive housing and to provide intensive and flexible services to stabilize and support housing tenure. Eligible Housing First applicants who complete the Indiana Supportive Housing Institute may apply and receive a reservation of tax credits outside of the published rounds identified in Section H.1: Miscellaneous – Application Dates.

Key principles on the Housing First model of permanent supportive housing are:

- Changing the system, not the person: the major shift of this model is how services are provided. In many cases, services are offered on-site rather than expecting individuals to show up at an agency for services. Staff are constantly working to engage residents and are trained in evidence based practices, such as assertive community treatment, that have been shown to be effective for hard to serve populations;
- Tenant choice on accepting clinical service: Services need to be readily available with staff continually working to engage and build relationships with the tenants. No participation in clinical services is required in order to remain housed. A harm reduction approach is used in addressing chronic substance addiction.
- Focus is on being a good tenant: The main emphasis is on safety with interventions on behaviors that negatively impact an individual or the community. Skills such as managing finances, handling conflicts with other tenants, and managing the day-to-day responsibilities in apartments are essential for long-term tenancy.
- Eviction is a last resort: Service rich interventions are attempted to try to exhaust all other solutions prior to serving a tenant an eviction notice.
- Strength-based model with emphasis on building community: Peer support and community meetings are used to help individuals feel connected to their community.

Housing First Developments must submit a Supportive Housing Plan which describes or provides the following:

a. Minimum Units – The Development must set-aside 10% of the units or 10 units (whichever is greater).

b. Site Suitability – How the development will meet the needs of the targeted population including accessibility features, access to transportation, and proximity to community amenities.

c. Affordability – How the development will make their units affordable to the targeted populations.

d. Access to Services – How an array of services, including those aimed at tenant retention, will be made available both on and off-site for tenants to access according to their needs, including a budget for services and funding sources that have been secured or will be sought.

e. Referral, Screening, and Communication –

    1) Tenant referral and screening process, including steps followed by all parties to negotiate Requests for Reasonable Accommodations and modifications under Fair Housing Laws to facilitate the admittance of persons with disabilities into the development.

    2) How the property management and the agency providing the on-site support coordinator will communicate, accommodate staff turnover and assure continuing linkages between the Development and the agency providing the on-site support coordinator for the duration of the compliance period.

f. Agreement Among All Parties –

    1) Demonstrate a clear separation of property management and supportive service provision functions within or among partner organizations to assure confidentiality of tenant information.

    2) Plan to affirmatively market to persons with disabilities and include a section on reasonable accommodations and modifications in applications for tenancy. The Development may advertise as offering services for people with particular types of disabilities, but must admit other persons with disabilities who may benefit from the services.

    3) Use by the management agent of objective screening and income eligibility criteria to make decisions regarding offering applicants residency.

g. Demonstration of Participation – Developments that compete under the Housing First set-aside must demonstrate participation in the Indiana Supportive Housing Institute. Housing First applicants are also encouraged to participate or be involved with the Continuum of Care process, Work One, Department of Mental Health and Addiction, Family Social Services Agencies, Veterans Affairs, and/or Supportive Housing Leadership Forum.

~~6~~5. IHCDA General

a. 10% of available annual RHTCs will be set aside for Developments that further the Authority's mission, goals, initiatives, and priorities irrespective of the ranking by the evaluation factors. The Authority will exercise its sole discretion in the allocation of the IHCDA General set-aside.

The Authority intends to make every effort to satisfy the requirements of such set-aside categories in one (1) application and reservation cycle. If such set-aside categories are not completed through one (1) application and reservation cycle for the applicable year, the Authority may allocate any RHTCs remaining available for allocation without regard to these set aside categories, so long as such allocation is made in accordance with the Code and the applicable requirements of the law of the State and the goals of this Allocation Plan; notwithstanding the foregoing to the contrary, upon completion of the scheduled reservation cycle (i.e., at such time as all or substantially all RHTCs available for allocation in a calendar year have been allocated, other than de minimus amounts of RHTCs not reasonably susceptible to allocation to a Development) the Authority, in its discretion, may hold another application and reservation cycle. If another application and reservation cycle will be held, the Authority will provide an announcement thereof. Provided, that: (i) the Authority may, in its sole discretion, elect in any reservation cycle not to allocate RHTCs to a Development that might otherwise qualify for an allocation.

Notwithstanding the point ranking system set forth in this Plan, the Authority reserves the right and shall have the power to allocate Rental Housing Financing to a Development irrespective of its point ranking, if such intended allocation is: (1) in compliance with Section 42 of 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. Additionally, the Authority will provide a written explanation to the general public for any allocation of RHTCs, which is not made in accordance with the established goals, priorities, and selection criteria in this Allocation Plan.

F. Threshold Requirements

Each Development applying for an allocation of Rental Housing Financing must satisfy the requirements of the Code, such additional requirements established by the Authority, the Program and those set forth in this Allocation Plan, and any additional requirements relating to the continued compliance of the Development after an allocation of Rental Housing Financing by the Authority. All material used in the Development must be new and of high quality, and all work must be performed in a good and workmanlike manner.

1. Federal Threshold Requirements

Each Development shall satisfy all requirements of Section 42 of the Code and such additional provisions of the Code and other federal laws applicable to each Development throughout the required compliance period and/or other applicable period. These requirements include, without limitation:

a. Development Feasibility

Amounts allocated pursuant to this Allocation Plan may not exceed an amount, which the Authority, in its sole discretion, determines is necessary for the financial feasibility of a Development and its viability as a qualified low-income housing Development throughout the Compliance Period. In making this determination, the Authority shall consider: (i) the sources and uses of funds and the total financing planned for the Development; (ii) any proceeds or receipts expected to be generated by reason of tax benefits; (iii) the percentage of the RHTCs used or to be used for Development costs other than the cost of intermediaries, unless such consideration would impede the process of developing in hard-to-develop areas; (iv) the reasonableness of the developmental and operational costs of the Development; (v) the developmental and/or operational costs of the Development as compared to similar costs of other Applicants; and (vi) such other factors it may consider applicable.

The Authority may establish such criteria and assumptions it deems reasonable for the purposes of its determination, including, without limitation, criteria as to the reasonableness of fees, profits, assumptions as to projected occupancy, the amount of net syndication proceeds to be received, and increases in operating expenses and rental income. Any determination and/or allocation of Rental Housing Financing by the Authority shall not be construed to be a representation or warranty by the Authority as to the feasibility or viability of any Development.

Pursuant to the Code, the foregoing determination shall be made at: (a) the time of application for the Rental Housing Financing; (b) the time of allocation of the RHTC equity amount; (c) anytime there is a material change to the application and/or Development; and (d) the date the building is placed in service or at time of final application (but prior to the issuance of IRS Form 8609).

Required Documentation: The 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 that the Applicant may find necessary to include with the Application will be considered along with other such documentation the Authority may consider applicable. Additionally, if the Development is proposing commercial space the following proformas must be submitted: (i) a 15-year proforma showing only the commercial portion of the Development; (ii) a 15-year proforma showing only the housing portion of the Development; and (iii) a 15-year proforma showing the housing portion and the commercial portion of the Development combined. Place in Tab A.

b. Local Jurisdiction Notification

No Development shall be entitled to apply for any Rental Housing Financing reservation or allocation until the highest elected official of the local jurisdiction is notified and provided with a reasonable opportunity to comment on the Development. The Authority will consider the response of such official in determining any RHTC allocation for the Development.

Required Documentation: At least 30 days, but no more than 60 days, prior to application submittal, the Applicant must submit Form C (with the Applicant's portion completed) and any additional documentation they wish to provide by certified mail or other service together with appropriate evidence of receipt, of its intent to develop affordable housing to the highest local elected official in the community where the proposed Development will be located. Copies of such information, the returned receipt from the certified mail or other acknowledgement of receipt of the documentation by the highest local elected official (or authorized designee), and any written response(s) from the local officials are a required part of the Rental Housing Finance Application and must be placed in Tab B.

c. Not-For-Profit Participation

A not-for-profit competing for Rental Housing Finance Program funding that has an ownership interest in the proposed Development must submit to IHCDA at the time of application a resolution from its Board of Directors that includes language that approves: 1) the application being made for specific Rental Housing Funding (i.e. private activity tax-exempt bonds, RHTC, Rural Preservation Loan Fund, HOME, Development Fund); 2) the amount of ownership interest the not-for-profit has in the venture; 3) the not-for-profit's specific liabilities in the Development; and 4) the anticipated amount of Developer Fee the not-for-profit will receive.

Required Documentation:

i. Resolution signed by the not-for-profit's Board of Directors must be placed in Tab C. If the document is approved during a Board of Directors meeting, a quorum should pass and sign the resolution and such resolution shall be incorporated into the Minutes of the meeting.

ii. All not-for-profits with any ownership interest in the Development and that wish to compete in the Not-for-profit set-aside must submit a signed Not-for-

profit Questionnaire with required attachments (Form B) and be placed in Tab C.

d. Market Study

See Schedule C - Market Study Requirements. A Comprehensive market study must be prepared at the developer's expense by a disinterested third party from the approved Indiana Market Study Analyst list (The approved list of market study analysts can be found at http://ihcda.in.gov/). Sufficient demand in the market area of the Development must exist and, based on reasonable predictions, will continue to exist during the term of the Compliance Period or other applicable period, for the number of units to be developed.

Upon receipt of the market study, IHCDA will submit the market study to a reputable independent market analysis professional for an independent review of the market study. IHCDA reserves the right to accept or decline the corresponding tax credit application from further review based on the recommendations of the independent market analysis professional.

Note: The market analysis firm performing the IHCDA independent review of the market studies (as mentioned above) will not be permitted to perform or submit market studies for a Development submitting a ~~2009-2010~~2011 IHCDA funding application.

Required Documentation: A comprehensive market study of the housing needs of low-income individuals in the area to be served by the Development, satisfactory to the Authority at the time the initial Application, must be performed and submitted to IHCDA. One PDF copy on a CD-ROM of the study must be submitted with the application and must state the name of the Development, the Owner, Development City, and Development County on the front cover. The market study must be no more than twelve (12) months old at the time of submission to IHCDA. Place in Tab N.

2. Additional Threshold Requirements of the Authority

All information submitted to the Authority pursuant to this Allocation Plan must be satisfactory to the Authority in its sole and absolute discretion. If the Authority requests additional information from an Applicant, such information must promptly be submitted within timeline(s) determined by the Authority. **Additionally, all documentation (e.g. certifications, letters, market studies, etc.) must be issued/dated within 12 months prior to the Application deadline date.**

IHCDA, in its sole discretion, will consider a waiver ~~of this limitation~~ request from any Applicant, Owner and/or Developer in regards to any of the ~~following~~Additional Threshold Requirements of the Authority ~~Threshold Requirements of the Authority~~. The Authority must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include 1) the details of the specific Threshold requirement for which to Development is requesting a waiver, 2) a detailed description as to why the Development cannot meet the

Threshold requirement, ~~and~~ 3) any additional information the Applicant would like IHCDA to consider with the request, and~~.~~ 4) payment of the waiver request fee for each Threshold item requested to be waived. IHCDA will provide a written response to the request within 20 days of receiving the waiver request.

For a Development to be evaluated for an allocation of RHTCs, each of the following requirements must also be satisfied:

a. The Authority will not consider or review more than one Application for the same Development or for substantially the same or similar costs submitted by a related Applicant with respect to a particular reservation and application cycle. Submission of more than one Application shall cause the cancellation of any pending Application earlier awarded. Request for supplemental RHTCs will only be permitted after all qualified Developments have been funded. The Authority will notify the public if RHTCs are available for supplemental funding. However, supplemental RHTCs will only be considered for allocations made in the same year.

b. ~~Until a~~An Applicant, Owner and/or Developer ~~has~~ must successfully complete~~d~~ ~~(i.e. has been~~ and be issued IRS Form 8609~~)~~ on at least one (1) Development within the State of Indiana prior to submitting a second application request for RHTCs.~~in Indiana, the Authority will not consider or review an Application for a Development from the Applicant, Owner and/or a Developer if such Application would, when added to all other RHTC allocations made to the Applicant, Owner and/or Developer, aggregate more than $800,000 in annual RHTCs~~.

IHCDA, in its sole discretion, will consider a waiver for an Applicant, Owner and/or Developer that has materially participated in a successfully completed (i.e. has been issued IRS Form 8609) Development in Indiana while associated/working for a different organization/company. The Authority must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include 1) the Name and BIN of the Development(s) in which the Applicant materially participated, 2) the role the Applicant played in each Development, and 3) any additional information the Applicant would like IHCDA to consider with the request. IHCDA will provide a written response to the request within 20 days of receiving the waiver request.

Required Documentation: The Applicant, Owner, and Developer must submit the name and BIN Number of the most recent Indiana RHTC Development where they have participated with an ownership interest or been part of the Development team (including on a consulting basis). Completed Form A (Application).

c. At the time an Applicant files an Application with the Authority, eligible development costs expended or incurred towards the Development and/or acquisition shall not exceed fifty percent (50%) of the total estimated eligible development costs, unless the Authority determines that:

1) Rental Housing Financing is necessary for the Development to be completed; and
2) The Development is located in either (a) a "qualified census tract" or (b) "difficult Development area", as designated by the U.S. Secretary of Housing and Urban Development ("HUD"). You may also view the information on HUD's website at: www.hud.gov; and
3) Less than sixty-five percent (65%) of the estimated qualified eligible costs have been expended or incurred; and
4) The Development will contribute to the accomplishment of the Authority's housing goals and priorities.

Required Documentation: Completed Application. See Form A. Place in Tab A.

d. The Development Applicant/Owner, Developer, Management Agent and other members of the Development team as provided in the Rental Housing Finance Application must demonstrate sufficient financial, development and managerial capabilities to complete the Development and maintain it for the Compliance Period and other applicable period.

Required Documentation: The Applicant must provide documentation to demonstrate sufficient financial, development and managerial capabilities. Documentation must include: 1) Up to date certified Financial statements from the Applicant, Owner (if formed) or its principals (must include all principals of the general partner interest) or from the individual(s)/entity providing guarantees for the Development, AND Developer (under the Applicant's, Owner's, and/or Developer's own affidavit respectively); AND 2) Resumes showing adequate experience of Developer and management company. This documentation must be placed in Tab D. The Authority, in its discretion, may require audited financials and/or copies of tax returns. If needed, the Authority will request this information from the Applicant.

e. The Development team must show their readiness to proceed as demonstrated by:

1) The Authority's receipt of a completed "Application" in the form required by the Authority and within the time period established and set forth in this Allocation Plan. Each Application must be type written and accompanied by the appropriate application fee and all exhibits. Additionally, the Applicant must provide a Narrative Summary of the Development. See Schedule G for Application Package Submission Guidelines.

Required Documentation: The most current Application (See Form A) completed, Narrative Summary of the Development, and a check made payable to IHCDA for the appropriate Application Fee. The check should be attached to the application and placed in Tab A with the Narrative Summary.

2) Submitting satisfactory evidence of site control.

~~**Required Documentation:** The Applicant must submit documentation evidencing site control including verification of current ownership, examples of which include: 1) Purchase Agreement or Option that does not expire until after the reservation date for RHTCs with title insurance documentation (or attorney's opinion); 2) Warranty deed; or 3) Long-term lease option (term of~~

~~lease must be for a minimum term specified in the Lien and Restrictive Covenant Agreement). When an Applicant intends to acquire a site and/or building through a government body, in the Authority's sole discretion exercised on a case-by-case basis, the Authority may accept the following documentation as sufficient evidence of site control: (i) duly adopted resolutions of the applicable commission designating the subject area; (ii) duly adopted resolutions of the applicable commission authorizing the acquisition of the land to comprise the Development; and (iii) a letter from the applicable governmental agency or development commission setting forth the acquisition schedule for such land on a time table consistent with the Applicant's readiness to proceed without undue risk of Rental Housing Financing being returned to or rescinded by the Authority. This documentation must be placed in Tab E.~~

Required Documentation: The Applicant must submit documentation evidencing site control including verification of current ownership, by submitting one of the following:

1) Purchase Agreement or Option that does not expire until after the reservation date for RHTCs, along with evidence of clear title either with title insurance commitment, title search documentation, or attorney's opinion;

2) Executed and Recorded Deed;

3) Long-term lease option (term of lease must be for a minimum term specified in the Lien and Restrictive Covenant Agreement); or

4) When an Applicant intends to acquire a site and/or building through a government body, in the Authority's sole discretion exercised on a case-by-case basis, the Authority may accept the following documentation as sufficient evidence of site control:

(i) duly adopted resolutions of the applicable commission designating the subject area;
(ii) duly adopted resolutions of the applicable commission authorizing the acquisition of the land to comprise the Development; and
(iii) a letter from the applicable governmental agency or development commission setting forth the acquisition schedule for such land on a time table consistent with the Applicant's readiness to proceed without undue risk of Rental Housing Financing being returned to or rescinded by the Authority.

The site control documentation submitted must be in the name of the development ownership or the applicant. Site control documentation submitted in the name of the General Partner of the ownership, or in the name of the Limited Partner of the General Partnership will not be accepted as evidence of proper site control. However, the General Partner of the ownership, or the Limited Partner of the General Partnership may be listed as the "seller" on site control documentation. This documentation must be placed in Tab E.

3) Development Site Information

~~**Required Documentation:** The Applicant must submit satisfactory: 1) schematics; 2) perimeter survey; 3) site plan (if flood plain and/or wetlands are located anywhere on the site, the site plan must show where the buildings, common areas, and any land improvements will be located in relation to the flood plain and/or wetlands – See Section H.4(12)(i) & (ii) of QAP); and 4) floor plans for units of the Development which, to the sole satisfaction of the Authority, show the Development is of quality design providing decent, safe and sanitary housing. The Authority reserves the right to perform (through its own representatives or its agents) site visits and evaluations of the Development to determine the satisfaction of these requirements. Place this documentation in Tab F.~~

Required Documentation: The applicant must submit preliminary architectural plans and specifications electronically and on paper no smaller than 8 ½" x 11" and no larger than 36" x 24" and must include:

1. Typical unit plan(s) that include the square footage of each unit using a minimum scale of 1/4" per 1 ft.;
2. Dimensioned floor plans for all unit types showing the location of units and common areas using a minimum scale of 1/8" per 1 ft.;
3. Elevations for all building types;
4. A site plan that shows how the development is to be built, including rehabilitation projects.
    a. This plan must indicate the placement and orientation of buildings, parking areas, planned and existing public sidewalks, landscaping, easements, trash dumpsters, buffers, etc. The plan must indicate the number of parking spaces.
    b. The site plan must indicate the placement and number of accessible units.
    c. The site plan must indicate if any portion of the site is located in a flood plain or contains wetlands. If a flood plain or wetlands exist on the site, the site plan must indicate the buildings, common areas, and any land improvements located in relation to the flood plain/wetlands – see Section H.4.(12)(i) & (ii) of the QAP.

d. The plan must also indicate the location of planned site amenities including playground(s), gazebo(s), walking trails, etc. Failure to identify these amenities could result in an application not receiving points under amenities identified in Form A.;

5. A schematic site plan/perimeter survey of the site that shows the site boundaries and includes the location of any streams, ravines, gullies, drainage problems, or other construction deterrents. All utility locations such as water, sewer, gas, electric, and phone lines should be indicated on the site plan as well. If utility services are not presently located at the site, the plan must reflect the distances from the services. Scattered-site single family homes are exempt from this requirement.; and

6. A 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 may submit a map indication the location of each site with reasonable specificity in lieu of an aerial photograph.

All documentation submitted should be dated no more than 12 months prior to the application date. Rehabilitation projects, where there is no structural changes to the development, will be allowed to submit the "most current" architectural plans (which may be dated more than 12 months prior to the application date), along with an affidavit from the architect certifying that there will be no structural changes to the development floor plans. The Authority reserves the right to perform (through its own representatives or its agents) site visits and evaluations of the Development to determine the satisfaction of these requirements. Place this documentation in Tab F.

4) The Applicant must demonstrate an ability to obtain financing (i.e. syndication proceeds, grants, other funds available for the Development).

Required Documentation: All sources of financing must be supported with appropriate documentation satisfactory to the Authority including the following documentation which must be submitted:

a) Lender letter of interest submitted to the Applicant in support of the Applicant's application must contain a representation and acknowledgment from the lender that: (i) such lender has reviewed the same application submitted or to be submitted by the Applicant to the Authority in support of the Rental Housing Financing for the Development to which such letter of interest relates; (ii) lender expressly acknowledges that the Development will be subject specifically to the "40-

60" or "20-50" set-aside, and extended use restriction elections made by the Applicant; (iii) the lender has reviewed the Minimum Underwriting Criteria set forth in this Allocation Plan; (iv) any other special use restriction elections made by the Applicant, which give rise to additional points in this Allocation Plan; and (v) the anticipated terms of the loan including loan amount, interest rate, and term of the loan. Place in Tab G;

b) For financing not yet applied for, the Applicant must submit evidence of eligibility for the source of funding (e.g. a certification from the Applicant stating how the Development is eligible for the funding source). Developments applying for the Federal Home Loan Bank's (FHLB) Affordable Housing Program must identify their Member Bank and their regional FHLB. Place this documentation in Tab G;

~~c) Equity letter of interest submitted by an Applicant in support of the Applicant's application must contain a representation and acknowledgment from the equity investor that: (i) such investor has reviewed the same application and market study submitted or to be submitted by the Applicant to the Authority in support of the Rental Housing Financing for the Development to which such letter of interest relates; (ii) such investor expressly acknowledges that the Development will be subject specifically to the "40-60" or "20-50" set-aside, and extended use restriction elections made by the Applicant; (iii) the investor has reviewed the Minimum Underwriting Criteria set forth in this Allocation Plan; (iv) any other special use restriction elections made by the Applicant, which give rise to additional points in this Allocation Plan; and (v) the estimated dollar amount of equity to be provided to the Development. Place in Tab G;~~

~~d)~~c) If any additional funding/financing of any kind has already been awarded for the Development, a copy of the award letter that includes the expiration date for the award must be submitted and placed in Tab G.

~~e)~~d) The Development team must provide documentation to the sole satisfaction of the Authority that shows:

~~f)~~e) The real estate upon which the Development will be located is currently properly zoned to allow for the proposed Development.

Required Documentation: The Applicant must provide: 1) 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 construction and operation of the proposed Development without the need for additional variance; AND 2) a copy of all approved variances on the property, if any; AND 3) If a Planned Unit Development (PUD) a copy of the appropriate

documentation (i.e. organization & requirements). This documentation must be placed in Tab H.

IHCDA in its sole discretion may accept an attorney's opinion with appropriate supporting documentation documenting that the proposed site's current zoning allows for the construction and operation of the proposed Development without the need for additional variance. This will only be accepted with documentation of failed attempts to obtain the information from the appropriate authorized government official.

~~g)~~f) At the time of application, there will be access to water, sewer, electric and/or gas to the site with sufficient capacity to satisfy the requirements of the Development.

Required Documentation: Completed Form A (Application) Section N.

~~h)~~g) Evidence of Compliance

Every Applicant, Principal, Affiliate(s) and/or Development Team member (collectively, "Development Team") with any ownership interest in a rental housing Development which has received an allocation of RHTCs by the Authority since the inception of the RHTC program (January 1, 1987), must cooperate and comply with the Authority's compliance monitoring procedures. The Authority's monitoring procedures and requirements are set forth in the RHTC Compliance Manual, a copy of which is attached as Schedule A to this Allocation Plan and made a part hereof. If, in the sole discretion of the Authority, any Development Team member has materially failed to comply with the procedures and requirements of the Authority or any of its programs, the Code or any other governmental program, including, but not limited to, HUD and/or HUD funded programs: (i) the Authority may withhold or reduce, in whole or in part, Rental Housing Financing for which application is made, irrespective of whether the withheld or reduced funding relates to the Development to which the noncompliance relates as determined by the Authority in its sole discretion; and (ii) if the Applicant's noncompliance is chronic and/or egregious in nature, the Authority may refuse to accept for filing and/or otherwise refuse to consider all or any part of the Applicant's pending or future applications for funding until such time as the Authority decides otherwise.

All Development team members with an ownership interest in any RHTC Development must satisfactorily demonstrate that all prior findings and assessments against all Applicants and its principals, participants and affiliates have been satisfied.

Any Development found to be in violation of this Allocation Plan will be subject to a reduction or rescission in Rental Housing Financing, and all Development Team

members may be subject to debarment from participating in all Authority programs for up to five (5) years.

Required Documentation: The following documentation must be submitted and placed in Tab J:

1) All of the Development Team members with an ownership interest or material participation in any affordable housing Development must disclose any outstanding non-compliance issue(s) and/or loan defaults with any state or federal affordable housing program (including private activity tax-exempt bonds) in which it has participated in or received from including those issues that have been corrected since RHTC program inception. Failure to disclose may result in the loss of funding.

2) All principals or material participants of the General Partner interest or managing member (if an LLC) and each member of the Development Team must submit a written affidavit accurately disclosing his/her complete interest in and affiliations with the proposed Development. Additionally, the Development Team must include in the affidavit all other RHTC funded Developments located in Indiana where they own(ed) an interest. A management company is required to be identified in the application and the management company named in the initial application must add language to its affidavit certifying that: a) they have reviewed the application for Rental Housing Financing; and b) they can effectively manage the property according to the requirements of Section 42, the Qualified Allocation Plan, and the elections made by the owner/applicant in the application for Rental Housing Financing. If at any time during the Compliance Period the management company changes, the new management company must also sign a similar certification.

~~i)~~h) Mini-Phase I Environmental Site Assessment

The Mini Phase-1(MP-1) or full Phase I Environmental Assessment must be completed prior to Application submission for 9% or 4% funding from the Authority. If a Development elects to submit a full MP-1 at the time of application, please refer to Section H.4(12)(i) & (ii) for the required documentation.

The MP-1 is not a substitute for a full Phase I Environmental Site Assessment. The full Phase I Environmental Assessment will be required at Conditional Commitment for those developments that are funded. To properly complete the MP-1 the applicant must interview a person knowledgeable about the property (a knowledgeable person does not include the realtor, unless the realtor is also the owner of the property) and provide photographs of the following:

- Front, rear and side views of the site,
- Interiors of the rooms for each bedroom type, (if proposing a rehab)
- Adjacent properties visible from the site, and
- Any other notable items on or around the site.

Further, a third party environmental database report (Ex: Radius map, provided by Environmental Data Resources, Inc.) must be submitted with the completed MP-1.

Two sources of historical data are required to evaluate the historical uses of the site. Examples of this include aerial photographs, fire insurance maps and city directories. The findings shall be provided in written summary form with attached copies of the source material.

Required Documentation: See Form I – Mini Phase-I. Place all documentation in Tab K.

NOTE: A full Phase I environmental assessment is acceptable in lieu of the MP-1.

~~j)~~i) All applicable conditions and requirements of State and local laws, statutes, regulations, ordinances and other proper authorities in the State, including, without limitation, the requirements specified in the Application, the Indiana Handicapped Accessibility Code as amended, and such additional items which may be required by the Authority (collectively, "State Laws"), shall be satisfied.

Additionally, the Development has been designed to comply with the requirements of all applicable local, state and federal fair housing and disability-related laws. The Development design should consider at a minimum, the applicability of the local building codes, Federal Fair Housing Act, as amended, the Americans with Disabilities Act, and the Rehabilitation Act of 1973, as amended. The Applicant will be required to submit an affidavit that certifies the Development complies with all applicable requirements.

Required Documentation: Completed Form A (Application).

~~k)~~j) Applicants who perform rehabilitation work on pre-1978 Developments (i.e. buildings) are required to comply with the Lead Based Paint Pre-Renovation Rule ("Lead PRE") and the State of Indiana's Lead Based Paint Rules where applicable. (For more information visit www.epa.gov/lead or contact your local Environmental Protection Agency (EPA) Regional Office and www.ikecoalition.org for Indiana's rules.)

Required Documentation: The Applicant must certify that the Development will comply with these laws and rules. Completed Form A (Application).

l)k) Developments proposing commercial areas within the building or on the property utilizing Rental Housing Financing will be given consideration. Construction must be in compliance with plans and specifications that have been previously submitted and approved by the Authority. Finally, all commercial restrictions approved by the Authority must be included in the Lien and Restrictive Covenant Agreement.

Required Documentation: The Application must include the following additional information and documentation: (i) a detailed, square footage layout of the building and/or property identifying all residential and commercial areas; and (ii) a time-line for complete construction showing that all commercial areas will be complete prior to the residential areas being occupied. Place this documentation in Tab F.

m)l)If any portion of the RHTCs are being used to acquire the Development, RHTCs and/or acquisition eligible basis will be calculated based on the lesser of the actual amount paid for the building or the appraised fair market value.

Required Documentation: The Applicant must submit the Development's fair market appraisal (completed by a qualified appraiser), which must be completed no earlier than twelve (12) months from the Application deadline. The fair market appraisal must be at a minimum an "As Is" appraisal and must adhere to the Uniform Standards of Professional Appraisal Practice ("USPAP"). A statement to this effect must be included in the report. USPAP standards can be found at www.appraisalfoundation.org. Place in Tab L.

m) If any portion of the RHTCs are used to acquire the Development, it must be either exempt from or meet the requirements of IRC Section 42(d)(2)(B)(ii) as to the 10-year placed-in-service rule.

Required Documentation: The Applicant must sumbit A) a chain of title report; (B) a tax professional's opinion stating that the acquisition is either exempt from or meets the requirements of IRC Section 42(d)(2)(B)(ii) as to the 10-year placed-in-service rule; and, (C) if a waiver of the 10-year ownership rule is necessary, a letter from the appropriate Federal official that states that the proposed project qualifies for a waiver under IRC Section 42(d)(6). Place in Tab L.

n) If any portion of the RHTCs are used to acquire the Development, the Applicant must disclose all Related Parties and the proceeds from the sale to each Related Party. See Schedule H, "Glossary" for the definition of Related Parties. Place in Tab L.

o) For Developments proposing rehabilitation, the rehabilitation hard costs must be in excess of $~~1~~20,000 per unit. However, if the Development is competing in the

Preservation set aside the rehabilitation hard costs must be in excess of $~~15~~30,000 per unit. The cost of furniture, construction of community buildings and common area amenities are not included in the minimum per unit amount. Place in Tab L.

~~n)~~

Required Documentation: All Applicants applying for rehabilitation Developments requesting Rental Housing Financing must submit with their Rental Housing Finance Application a capital needs assessment performed by an Indiana Licensed qualified professional (engineer/architect) in the format required by the Authority. The complete Capital Needs Assessment Report must be submitted in an electronic PDF version on a CD-ROM. See Schedule F - Capital Needs Assessment. Place CD-ROM in Tab L.

~~o)~~p) For all Developments that will impact existing tenants, provide a displacement/relocation plan.

Required Documentation: A detailed displacement/relocation plan must be submitted detailing 1) any potential permanent, temporary or economic displacement/relocation issues, 2) the number of current tenants to be relocated, 3) where the tenants will be relocated during the rehabilitation and for the length of time, 4) how displacement/relocation will be minimized and how relocation expenses will be paid for if they are incurred and 5) displacement/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?) Place in Tab L.

~~p)~~q) 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.

~~q)~~r) Underwriting Guidelines

The following are underwriting guidelines for all Developments. However, all applicants should be aware that these are averages and the numbers submitted should reflect the nature and true cost of the Development proposed. IHCDA will consider any underwriting outside of these guidelines if supporting documentation is provided.

1) Total Operating Expenses - IHCDA will consider the reasonableness of operating expenses for each Development based on information submitted by the Applicant. All Developments must be able to underwrite with a minimum operating expense of $2,500 per unit per year (net of taxes and reserves).

2) 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%

3) Vacancy Rate – 6% - 8%

4) Rental Income Growth – 0-2%/year

5) Operating Reserves – four (4) to six (6) months (Operating Expenses plus debt service) or $1,500 per unit (whichever is greater)

~~5)~~6)

Replacement Reserves A Replacement Reserve based on a Replacement Plan, is required for all developments and must be included in the operating budget. Contributions must be made to the reserve account, starting at or before the conversion date of the construction loan to permanent loan and must be funded for the term of the loan in accordance with the Replacement Plan. The following minimum contributions must be used:

a) Rehabilitation: $350 per unit per year
b) New Construction: $250 per unit per year
c) Single Family Units: $420 per unit per year
d) Historic Rehabilitation $420 per unit per year

Replacement Reserve funds must only be used for Capital Improvements (substantial improvements to the real estate such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings, but not including replacement of individual appliances or minor repairs) and must **not** be used for general maintenance expenses. Less restrictive provisions required by Lenders must be approved by IHCDA.

Replacement Reserves must escalate at a rate of 3% per year. If the Replacement Plan indicates that an amount greater than the minimum reserve outlined above is necessary, then this greater amount will be required and must be escalated at a rate of 3% per year. IHCDA will at its discretion, adjust the Replacement Reserve to reflect reasonable and customary capital and replacement expenditures.

For Rehabilitation developments, the capital needs assessment will also be reviewed in indetermining whether sufficient reserves have been established. Place the

Replacement Plan in Tab M.per unit New Construction: $250 - $300 Rehabilitation: $300 - $350

6)

1) Operating Expense Growth – 1-3%/year
IHCDA requires operating expense growth to be at least 1% higher than rental income growth.

8) Stabilized debt coverage ratio (stabilization usually occurs in year 2) –

a. Large and Small City Developments: 1.15 – 1.40

b. Rural Developments: 1.15 – 1.50

1.15 - 1.40 (Although stabilization occurs usually in year two, the debt coverage ratio projection for a Development should not go below 1.1 during the complete 15 year Compliance Period to be considered financially feasible.)

IHCDA does recognize that rural deals will typically have higher debt coverage at the beginning of the compliance period in order to remain feasible over the fifteen years. Documentation to support these higher debt coverage ratios must be provided.

Developments without hard debt are allowed but will be subject to additional scrutiny from IHCDA. Developments submitted with no debt will not have a debt coverage ratio but will be required to cash flow without having an undue profit. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including reserve for replacement). A ratio of 1.15 shall be the minimum required to be considered feasible by IHCDA in Years 1-15.

NOTE: Tax abatement may cause the debt coverage ratio to be higher than these guidelines.

Applications may only include one set of proposed funding sources. The Authority will not consider multiple funding scenarios. A development will be ineligible for an allocation if any of the listed funding sources will not be available in an amount and under the terms described in the Application.

Required Documentation: 1) Documentation of estimated property taxes and insurance for the proposed Development (i.e. a statement of how the Applicant determined the estimated taxes and insurance for the Development); 2) Replacement Plan; AND 23) If the underwriting is outside these guidelines, the Applicant must provide a written detailed explanation with third party documentation supporting the explanation (approval of underwriting from other financing institutions/funding sources will not constitute acceptable supporting documentation). This documentation must be placed in Tab M.

~~r)~~s) Grants/Federal Subsidies

Those RHTC Developments that include "soft" loans (i.e. HOME or HOPE VI loaned to the Development with payments through available cash flow) must demonstrate a reasonable expectation (as determined by the Authority in its sole and absolute discretion) that the loan will be repaid at a date certain (usually eight (8) to fifteen (15) years). If the loan and any outstanding interest is not expected to be paid until the end of the Initial Compliance Period, there must be reasonable expectation that the fair market value of the Development will be sufficient at that time to pay the accrued interest and debt and that the net income of the Development will be sufficient to sustain debt service.

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

~~s)~~t) Developments located in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA) are eligible to increase or "boost" the eligible basis of their Development by up to 30%. See Appendix F for a complete listing of QCTs and DDAs.

The Authority may also increase or "boost" the eligible basis up to 30% of Developments whose buildings are placed in service after July 30, 2008 if the eligible basis otherwise would be a low percentage of the total development costs due to any of the following:

1) Officially declared disaster area by the State of Indiana after January 1, 2008 which will assist in providing affordable housing to people affected by the disaster.
2) Competing under the Housing First set-aside.
3) Competing under the Preservation set-aside.
4) Located in a high cost area that contains high land costs because of being in a desirable or commercially valuable location. The seller may not be a related party or a local unit of government.
5) Necessity of extensive site preparation and/or off-site costs. All such work must be reasonable based on the circumstances.
6) Demolition and new construction, rehabilitation of historic structures, and/or conversion of existing structures.
7) Located in an Area of Chronic Economic Distress (See Appendix F)
8) Score 10 or more total points under Section G.1, "Rents Charged" scoring category for 30% and 40% Area Medium Income Rents.
9) Building(s) achieving energy efficiency demonstrated by:
    ~~a. The silver rating under the LEED rating system;~~
    ~~b. The two globes rating under the Green Globes rating system;~~
    ~~c. Environmental Protection Agency's Energy Star; or~~
    ~~d. Equivalent under a rating system that is accredited by the American National Standards Institute.~~

a. The emerald rating under the IC 700-2008 National Green Building Standards;
b. Environmental Protection Agency's Energy Star®rating of 5+ stars;
c. The LEED Platinum rating;
d. Equivalent under a rating system that is accredited by the American National Standards Institute.

Buildings located in areas already qualifying for additional credits, will not qualify for an additional increase if they have already received the 30% eligible basis boost.

Required Documentation: Developments located in a declared disaster area must include: (i) Documentation that the Development 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 Developments must provide a narrative explanation justifying the need to increase the eligible basis. Place documentation in Tab A.

3. User Eligibility and Limitations

a. Applicant and Development Limitations

During any calendar year, the amount of RHTCs, which may be reserved for allocation (including any transfers of RHTCs during the applicable calendar year) to any person (including principals in organizations), Entity, Owner, Developer or Applicant, may not exceed $~~1~~2,~~6~~000,000, provided, however, ~~no Development shall receive more than $800,000 of RHTCs in any calendar year.~~ Such limitation shall be subject to review and modification by the Authority. [Excluding Developments financed with Bonds and 4% RHTCs.]

If the Authority determines that, in its sole and absolute discretion, it is in the interest of the State to allocate additional RHTCs to such person, entity or Development, then the Authority may waive such limitation.

b. Developer Fee Limitations

i. New Construction: Developer fees for new construction developments must be the lesser of $12,000 per unit or $1,200,000 (the maximum for developments with tax-exempt bonds is $2,000,000).

ii. New Construction – Community Impact: Developer fees for new construction developments that compete under the Community Impact set-aside must be

the lesser of $13, 500 per unit or $1,500,000 (the maximum for devlopements with tax-exempt bonds is $2,000,000).

iii. Rehabilitation: Developer fees for rehabilitation developments must be the lesser of $14,500 per unit or $1,500,000 (the maximum for developments with tax-exempt bonds is $2,500,000).

b.iv. Additional Contingency: The application may include up to the greater of $500 per unit or $30,000 in additional contingency to cover overruns in any development cost. To the extent this amount is used for cost overruns, it may be taken as additional developer fee.

~~# of Units in Development~~	~~New Construction 9% RHTCs~~	~~Rehabilitation* 9% RHTCs~~	~~New Construction 4% RHTCs**~~	~~Rehabilitation* 4% RHTCS**~~
~~35 Units or less~~	~~20% of Total Development Cost (excluding the developer fee, developer overhead, consultant fees, & the cost of the land,) but not to exceed $1,100,000~~	~~20% of Total Development Cost (excluding the developer fee, developer overhead, consultant fees, & the cost of the land,) but not to exceed $1,320,000~~	~~20% of Total Development Cost (excluding the developer fee, developer overhead, consultant fees, & the cost of the land,) but not to exceed $2,475,000~~	~~20% of Total Development Cost (excluding the developer fee, developer overhead, consultant fees, & the cost of the land,) but not to exceed $2,750,000~~
~~Over 35 Units~~	~~15% of Total Development Cost (excluding the developer fee, developer overhead, consultant fees, & the cost of the land,) but not to exceed $1,320,000~~	~~15% of Total Development Cost (excluding the developer fee, developer overhead, consultant fees, & the cost of the land,) but not to exceed $1,650,000~~	~~15% of Total Development Cost (excluding the developer fee, developer overhead, consultant fees, & the cost of the land,) but not to exceed $2,475,000~~	~~15% of Total Development Cost (excluding the developer fee, developer overhead, consultant fees, & the cost of the land,) but not to exceed $2,750,000~~

*~~At least 50% of the Development's units must be rehabilitation of an existing building~~

~~**4% RHTCs associated with Developments financed with multi-family bond volume~~

-The Authority will monitor both hard and soft costs of the Development compared to Developments of similar size and location and in its sole discretion reduce the total Developer Fee, which may reduce the amount of any RHTC allocation.

NOTE: Consultant Fees will be considered part of the Developer Fee.

When determining the amount of Credit necessary to make a Development financially feasible, the Authority will include the deferred Developer Fee as a source of funding.

To be included in RHTC basis, deferred Developer Fee must be due and payable at a date certain. Fees may be paid as a cash flow loan if it can be demonstrated that the fee can and will be paid in a reasonable amount of time (generally considered to be eight (8) to fifteen (15) years). If fees are permanently contributed to the Development, they must be paid to the developer and then contributed to the Development if the fees are to be included in RHTC basis.

Additionally, at the time of initial Application, no more than 60% of the developer fee may be deferred for 9% RHTC Developments and no more than 80% of the developer fee may be deferred for bond volume 4% RHTC Developments. However, the Authority may, on a case by case basis with convincing documentation acceptable to the Authority and for the financial feasibility of the Development allow a larger percentage of the developer fee to be deferred.

Required Documentation: Applicant must include a statement 1) disclosing each entity/individual receiving a portion of the Development Fee along with the percentage of the fee the entity/individual will receive and 2) describing the terms of the deferred repayment obligation to the Development including any interest rate charged and the source of repayment with the application. Non-profit organizations shall include a resolution from the Board of Directors allowing such a deferred payment and interest obligation to the Development. The Authority will require a Deferred Development Fee Agreement, satisfactory to the Authority in its sole discretion evidencing the principal amount and terms of interest and repayment of any deferred repayment obligation be submitted at the time of final cost certification. Place this documentation in Tab M.

c. Development Contingency Funding

i. New Construction: Shall have a hard cost contingency line item of no more than five percent (5%) of total hard cost, including general requirements, builder profit and overhead.

ii. Rehabilitation: Shall have a hard cost contingency line item of no more than ten percent (10%) of total hard cost, including general requirements, builder profit and overhead.

~~c.~~d. Contractor Fee Limitations

Contractor fees ("Contractor Fees") shall also be limited, for purposes of determining the RHTC amount to be allocated, based on the amount of total costs incurred toward the construction or rehabilitation of the Development, excluding Developer and Contractor Fees. The Contractor Fee limitations are as follows:

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

~~The Authority will permit savings in a particular Contractor Fee line item to offset overruns in other Contractor Fee line items; provided, however, that in any event the total Contractor Fees shall not exceed 14%.~~

No increase will be permitted higher than the above stated limitations.

e. Architect Fee Limitations
The architects' fees, including design and inspection fees must be limited to three percent (3%) of the total hard costs plus general requirements, overhead, profit and construction contingency. Architect design fees may be reduced further when the same design has been used in previous developments.

f. Consultant Fee Limitations
The total amount of all consulting and developer fees must be no more than the maximum developer fee allowed to the Development.

g. Reasonableness of Project Costs
Any line item costs, square footage costs or total unit costs exceeding a range of reasonableness may be disallowed solely at the discretion of IHCDA. Additional information and documentation (verified by IHCDA and/or IHCDA's designee) may be required to substantiate the reasonableness of the cost. Any allocation made will be determined using IHCDA's assessment of cost.

4. Minimum Development Standards

a. In addition to meeting all new construction and rehabilitation standards required by IRC Section 42 and local and State building codes, each unit must provide in good working order:

1) Energy Star rated Refrigerator
2) Stove
3) Rehabilitations must install new smoke detectors in accordance with Indiana Building Codes and NEPA 72
~~2)~~4) New construction and rehabilitation must replace all smoke detectors after the detectors have been in service for 10-years, as per the requirements in NFPA 72

b. Minimum design requirements for all new construction and rehabilitation (where the following items are proposed as part of the rehabilitation):

1) The use of low maintenance exterior building finishes including brick, stone, hardy board, fiber cement siding or vinyl siding. If vinyl siding is used, it must be at least .040 inches in thickness and carry a lifetime warranty.
2) Minimum HVAC standards: gas heating system with a minimum 90% AFUE rating; air conditioning system with a minimum ~~13~~15 SEER rating; or a minimum ~~8.2~~9.5 HSPF electric heat pump system that is properly sized for the unit. Electric furnances must have a primary heating system that includes a heat pump. All space heating/cooling systems must be sized using ACCA Manual J, GAMA H-22, equivalent, or an accredited design professionals and manufacturer's recommendations.
3) Thermal insulated windows and entry doors with a minimum U value of 0.35 or below.
~~4) Roofing product with a minimum 25-year warranty.~~
4) All buildings to have attic insulation of R-38 or better – New Constructions and Rehabilitation.
5) Energy efficient buildings demonstrated by:
   i. The certified rating under the LEED rating system;
   ii. The bronze rating under the ICC 700-2008 National Green Building Standards;
   iii. One Star rating under the Environmental Protection Agency's Energy Star®;
   iv. Equivalent under a rating system that is accredited by the American National Standards Institute
6) Roofing products with anti-fungal shingles and a minimum 30 year warranty
7) Buildings and units must be identified using clearly visible signage and/or numbers, where unit and building identification signage must be well lit from dusk until dawn
8) Exterior railings shall be of heavy duty steel, composite, or vinyl materials capable of supporting all vertical and horizontal loads per Indiana Code (Aluminum and woods must not be used for railings).
9) Where trees and large bushes/shrubs are closer than 40-feet to foundation walls, quality gutter guards must be installed on all storm drainage gutters for the affected buildings
10) Exterior stairways must be completely under roof cover including required landings
11) All primary unit entry doors must have roof covering a minimum of 3-feet deep by 5 feet wide and contain a landing of the same minimum dimensions

12) Fire places are prohibited in residential units
13) Residential demising floors and walls separating units must be framed and insulated to prevent sound transmission of up to 75 decibels
14) New cabinets must include dual slide tracks on drawers. Door fronts, styles, and drawer fronts must be made with quality materials other than particle board
15) Clothes dryer vent transition duct from flex to hard duct shall be made through recessed clothes dryer boxes
16) If a Development is going to utilize or store flammables, gasoline, and/or gasoline powered equipment, the gasoline, flammables, and/or gasoline powered equipment must not be stored in the same structure housing residential units unless separated by a 4- hour fire wall and the storage space is not accessible from inside the residential structure.
17) Water heater installations must have heat traps in the piping connection design
18) At a minimum ADA Type A Units (Fully Accessible) must be required in 5% of the units for rehabilitation and 6% for new construction
19) For rehabilitation of buildings constructed of a masonry shell, all exterior walls must contain an air barrier between the masonry and partition walls with properly aligned thermal and pressure boundaries. Additionally, there must be a 1" air space between the masonry and air barrier on the partition walls that are within the building shell.
~~5)~~20)

c. Minimum amenities for Elderly developments:

1) For New Construction:

a) 100% of the units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code, and elevators or lifts must be installed for access to all units above the ground floor.

2) For Rehabilitations:

b) 100% of the ground floor units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code, and all units above the ground floor must be adaptable as defined by the ADA and the Indiana Accessibility Code unless the building(s) contained elevator(s)/Lift(s) prior to rehabilitation, in which case the elevators/lifts will need to be maintained and 100% of the units above the ground floor will need to be accessible and adaptable.

Required Documentation: The Applicant must certify that the Development will comply with these requirements. Completed Form A (Application) Section N.3.

5. ~~5~~. Special Housing Needs

10% of available annual RHTCs will be set aside for units that provide residential housing for "special needs populations", pursuant to Indiana Code ("IC") 5-20-1-4.5. Special needs populations includes the following:

1) Persons with physical or developmental disabilities.
2) Persons with mental impairments.
3) Single parent households.
4) Victims of domestic violence.
5) Abused children.
6) Persons with chemical addictions.
7) Homeless persons.
8) The elderly.

The Authority shall allocate RHTCs under this section based on the proportionate number of set aside units of a qualified building that are used to provide residential housing for persons with disabilities.

Required Documentation: Completed and executed Form K__

6. Affordable Housing Database

Applicants that are proposing to develop permanent supportive or rental housing must participate in the Affordable Housing Database. www.indianahousingnow.org

~~6.~~7. https://ihcdaonline.com/

All IHCDA assisted multi-family developments are required to enter tenant events using IHCDA's Indiana Housing Online Management rental reporting system. Tenant events include move-ins, move-outs, recertifications, unit transfers, and rent and income changes. Annual Owner Certification Rental Reports will be required to be submitted electronically using the Indiana Housing Online Management System.

7. Rental Housing Financing Returned by Applicant

If Authority funding (i.e. RHTC, HOME, Low-Income Housing Development Fund, Multifamily private activity tax-exempt bonds) previously reserved and/or allocated to a Development is returned to or rescinded by the Authority, all applications submitted by the Applicant (or its principal) that meets Threshold Requirements will be subject to a reduction in points by the Authority from the total points otherwise scored.

Credits Returned Within:	Deduction in Points
30 – 59 Days from the date of Carryover	2 Point Deduction
60 – 89 Days from the date of Carryover	4 Point Deduction
90 – 119 Days from the date of Carryover	6 Point Deduction

120 or more Days from the date of Carryover	10 Point Deduction

The Authority, in its sole and absolute discretion, shall have the right to grant a waiver from the foregoing points deduction for factors determined by the Authority to be outside of the Developer's control. No such waiver will be granted unless on or before October 1 the Applicant furnishes the Authority with a written request for such waiver at the time the RHTCs are returned and/or rescinded specifying therein with specificity satisfactory to the Authority the reasons thereof. All requests for return of fees paid to the Authority for said Development will be denied. Developments that receive an exchange of credits under Section H.13 of this document will not be subject to the "Rental Housing Financing Returned by Applicant" scoring category.

8. Receipt of Rental Housing Financing

Applicant(s) receiving Rental Housing Financing must satisfy at time of Final Application all scoring criteria they received points for unless otherwise approved by the Authority in writing.

9. Application Disqualification

Applications reviewed during the Threshold period and found to have five (5) or more Technical Corrections will fail threshold and will not be eligible for credits.

G. Evaluation Factors

The Authority has developed six (6) categories of criteria, based on the needs assessment conducted and the housing goals established by the Authority. If an Application satisfies all applicable requirements, then it will be evaluated and scored based on:

Scoring Section	Total Number of Eligible Points
1. Rents Charged	28 Points
2. ~~Constituency Served~~	~~10 Points~~
3. Development Characteristics	~~30~~ 91Points
4. High Performance Housing	~~24~~ 21Points
5. Financing & Market	~~30~~ 32 Points
6. Other	28 Points
Total Number of Points Possible	~~150~~ 200 Points

Applicants seeking an RHTC allocation under Indiana's RHTC cap must score a total of ~~sixty (60)~~one hundred (100) or more points under this Allocation Plan. Additionally, Applicants seeking Private Activity Tax Exempt Bonds, either in conjunction with 4% RHTCs or alone, must score a total of ~~forty-five (45)~~ninety (90) points or more. The Authority reserves the right not to allocate funding to a Development that scores ten (10) or more points less than the nearest Development receiving Rental Housing Financing. A written explanation will be made available to the general public for any funding of a housing credit dollar amount, which is not made in accordance with established priorities and selection criteria in this Allocation Plan.

If two or more developments receive an equal total score, the following tie breakers will be used to determine the reservation:

a. First Tie Breaker: priority will be given to the development that competes under the highest number of set-asides; if a tie still remains;

b. Second Tie Breaker: priority will be given to the development located in a community that has not received tax credits within the past three years; if a tie still remains;
c. Third Tie Breaker: priority will be given to the development that request the lowest number of tax credits per unit.

1. Rents Charged

All Developments must meet the minimum set-aside requirement for Section 42 with election of the "40-60" or the "20-50" set-aside.

If the Development intends to charge rents lower than the maximum allowable for the area median income (AMI) required by Section 42 of the Code and maintain rents for units at a level not to exceed the maximums as published in Appendix B and C, points will be awarded as follows:

% of Total Units	Area Median Income Rents			
	30%	40%	50%	60% + Market Rate
55% or more	1 pt	2 pts	3 pts	0 pts
50.0 to 54.99%	2 pts	2 pts	5 pts	3 pts
45.0 to 49.99%	3 pts	3 pts	6 pts	4 pts
40.0 to 44.99%	4 pts	4 pts	7 pts	5 pts
35.0 to 39.99%	5 pts	5 pts	7 pts	6 pts
30.0 to 34.99%	5 pts	5 pts	7 pts	6 pts
25.0 to 29.99%	6 pts	6 pts	8 pts	8 pts
22.0 to 24.99%	6 pts	6 pts	8 pts	7 pts
18.0 to 21.99%	6 pts	5 pts	7 pts	6 pts
15.0 to 17.99%	5 pts	4 pts	6 pts	5 pts
12.0 to 14.99%	4 pts	3 pts	4 pts	4 pts
9.0 to 11.99%	3 pts	3 pts	4 pts	4 pts

7.0 to 8.99%	2 pts	2 pts	3 pts	3 pts
5.0 to 6.99%	1 pt	2 pts	2 pts	3 pts
3.0 to 4.99%	1 pt	2 pts	1 pt	2 pts

When determining the number of units using a percentage, the development must round up if at or above .50% and may elect to round down or up if at or below .49%. 1st Example: 30% of the units in a 25 unit development will be at 40% AMI Rents; 25 units x 30% is 7.5 = 8 units at 40%AMI Rents. 2nd Example 17% of the units in a 25 unit development will be at 30% AMI Rents; 25 units x 17% is 4.25% = 4 or 5 units at 30% AMI Rents. In the 2nd example, the Development must elect either 4 or 5 units that will be at 30% AMI Rents. The Development will not be allowed to switch between 4 or 5 units once the election is made within the Application.

The Authority encourages owners to disperse all low-income units evenly among buildings and units in a mixed income, multi-building Development.

Per Section 42(g)(7), scattered site Developments that contain market rate units will not qualify to receive points for their market rate units.

Maximum Number of Points	28

2. ~~Constituency Served~~

~~a. Special Needs Population~~

~~Applicant has committed in writing to "set aside" a percentage of the total units in the Development to qualified tenants who meet the State definition of special needs population as provided in IC 5-20-1-4.5 and must equip each unit to meet a particular person's need at no cost to the tenant. Special needs populations include:~~

~~1) Persons with physical or development disabilities~~
~~2) Persons with mental impairments~~
~~3) Single parent households~~
~~4) Victims of domestic violence~~
~~5) Abused children~~
~~6) Persons with chemical addictions~~
~~7) Homeless persons~~
~~8) The elderly~~

~~Points will be awarded based on 1 point for every one (1) percentage point set-aside up to a maximum of 10 points. Therefore, points will be awarded as follows:~~

~~% of Total Units~~	~~Points~~	~~% of Total Units~~	~~Points~~
~~10% or more~~	~~10 pts~~	~~5.0 to 5.99%~~	~~5 pts~~
~~9.0 to 9.99%~~	~~9 pts~~	~~4.0 to 4.99%~~	~~4 pts~~
~~8.0 to 8.99%~~	~~8 pts~~	~~3.0 to 3.99%~~	~~3 pts~~
~~7.0 to 7.99%~~	~~7 pts~~	~~2.0 to 2.99%~~	~~2 pts~~
~~6.0 to 6.99%~~	~~6 pts~~	~~1.0 to 1.99%~~	~~1 pt~~

~~**Required Documentation:** 1) the resume of the organization providing the services for special needs population (resume must demonstrate ability to provide appropriate services; AND~~

~~2) The Applicant and a qualified organization that provides and has the capacity to carry out services for the special needs population must enter into an agreement (signed by all parties) acceptable to the Authority in its sole discretion whereby the owner agrees to: a) set aside a number of units for the special needs population; and b) notify the qualified organization when vacancies of the set aside units occur at the Development. The qualified~~

~~organization must agree to: a) refer qualified households to the Development; and b) notify households of the vacancies of the set aside units at the Development.~~

~~Place this documentation in Tab O.~~

Maximum Number of Points	~~10~~

3. Development Characteristics

a. Development Amenities

Based on the Development schematics, as set forth in the site plan, the Authority will award two (2) points for every ten (10) amenities in the first column with a minimum of two (2) amenities required in each of the three (3) sub-categories A,B, & C in the first column, two (2) points for every five (5) amenities in the second column with a minimum of two (2) amenities required in each of the two (2) sub-categories A & B in the second column, and two (2) points for every three (3) amenities in the third column with a minimum of one (1) amenity required in each of the two (2)sub-categories A & B in the third column up to a total of six (6) points. All amenities chosen by the Applicant should conform to the needs of the Development and its residents. Design Amenities will be viewed as interchangeable within a column, provided the total number of design amenities selected in each column remains the same and the minimum number of amenities required for each subcategory in each column is met.

NOTE: Specific requirements may apply for each amenity (See definitions in Appendix H).

Total of 10 Amenities	Column 1 Common Area	Total of 5 Amenities	Column 2 Apartment Unit	Total of 3 Amenities	Column 3 Safety & Security
A	**Tenant Entertainment: Minimum of 2 Amenities**	A	**Unit Interior Architectural: Minimum of 2 Amenities**	A	**Security: Minimum of 1 Amenity**
	Playground		Wall to Wall		Restricted Access to Property/Gated

			Carpeting		Community
	Bike Racks		Window Blinds or Curtains		Security Camera at all Entrances
	Designated Garden Area		Hardwood Floors		Site/Parking Area Lighting
	Shuffle Board Court		Individual Porch/Patio/Balcony		Security Cameras at On-Site Bus Stops
	Community Room		Walk-In Closets		Intercom System/Installed Call System
	Community TV		External Individual Attached Storage		Peep Hole on Exterior Doors
	Designated Walking/Jogging Path		~~Fireplace~~Pressure relief vents for all bedroom, unless all bedrooms contain return air vents		Bump-Proof Entry Door Locks
	Billiards Table		Kitchen Pantry		Steel Entry Doors & Frames
	Basketball Court		Raised Panel Doors		Security Alarm (Doors)
	Swimming Pool		**Unit Convenience: Minimum of 2 Amenities**		Security Alarm (Windows)
	Fenced in Tennis Court	**B**	Garbage Disposal	**B**	**Life Safety Minimum of 1 Amenity**
	Gazebo		Door Bells		Carbon Monoxide Detector(s)
	Picnic Area with Permanent Grill		Cable Hook-Ups		Emergency Pull Cord/Call Button
	Sand Volley Ball Court		Motion Detector Lights for Each Unit		Fire Extinguishers

	Hot Tub/Jacuzzi		Clothes Washer/Dryer		Fire Suppressors above all Stoves
	Computer Center		Built-In Dishwasher		Fire Sprinkler System
	Exercise Room		Whirlpool Tub		Combo Smoke Detectors (Photo-electric/Ionization)
B	**Common Area Convenience Features Minimum of 2 Amenities**		Ceiling Fan		Recessed Clothes Dryer Flex Connector Boxes
	One Parking Spot Per Unit		Access to High Speed Internet		Kitchen Fire Blanket
	Designated Car Wash Facility				Emergency Escape Ladders
	Garage				Tenant Fire Safety Education/Training
	Carport				Posted Speed Limit & "Caution Children Playing" Signs
	Enclosed Bus Stop Shelter				Fenced-In Retaining Ponds
	Comfort Conditioned Common Areas				Emergency Lighting
	Daycare Center				
	Beauty Salon/Barber Shop				
	Laundry Facilities				
	Manager On-Site				
	On-Site Recycling Service				
C	**Common Area Architectural Minimum of 2**				

	Amenities		
	Multiple Building Designs		
	Multiple Floor Plans		
	Steel Frame		
	Architectural Roofing Shingles		
	50% or more Brick, Stone, or Cement Board Exterior		
	Metal Roof Covering		
	Slate Roof Covering		
	Sound-Proof Unit Separation Assemblies		

Required Documentation: Completed Form A (Application) Section O.

Maximum Number of Points	**6**

b. ADA Type A Accessible Units

IHCDA encourages the adoption of additional Section 504 and ADA Type A units. Applicants achieving greater than minimum threshold requirements in 5% of total units in rehabilitation projects and 6% of total units in new construction projects shall be eligible for additional application points.

The allocation of such application points will be designated as follows:

Accessible Unit Point Designation	1 Point	2 Points	3 Points	4 Points
Family Developments				
Rehabilitation	$6.0\% - 6.\bar{9}\%$	$7.0\% - 7.\bar{9}\%$	$8.0\% - 8.\bar{9}\%$	$9.0\% - 9.\bar{9}\%$ or greater

New Construction	7.0% – 7.$\bar{9}$%	8.0% – 8.$\bar{9}$%	9.0% – 9.$\bar{9}$%	10.0% – 10.$\bar{9}$% or greater
Elderly Developments				
Rehabilitation	7.0% – 7.$\bar{9}$%	8.0% – 8.$\bar{9}$%	9.0% – 9.$\bar{9}$%	10.0% – 10.$\bar{9}$% or greater
New Construction	8.0% – 8.$\bar{9}$%	9.0% – 10.$\bar{9}$%	10.0% – 10.$\bar{9}$%	11.0% – 11.$\bar{9}$% or greater

(Percentages are represented as the percentage of total proposed units classified as "accessible.")

In formulating Accessible Unit percentages applied to the "Accessible Unit Point Designation" table, applicants must calculate accessible unit percentages as follows:

$$\frac{\textit{Total Accessible Units in Proposed Development (In Whole Number Form)}}{\textit{Total Units in Proposed Development (In Whole Number Form)}} = \%$$

Example: Rehabilitation, Elderly Development: $\frac{17\ \textit{Accessible Units}}{212\ \textit{Total Units}}$ = 8.$\bar{9}$% 2 Points

Applicants are not permitted to add decimal points or apply a partial or non-whole unit metric when formulating total "accessible units" in the fraction's numerator nor in formulating "total units" in the fraction's denominator. Applicants not using whole unit numbers are ineligible to receive ADA Type A. Accessible Unit Expansion application points.

Limitations for Developments of 16 Units or Less: Applicants proposing developments of 16 units or less must implement at least 2 accessible units for ADA Type A to be eligible for points. For proposed developments of 16 units or less, 4 application points will be awarded only if total accessible units meet or exceed 2.

Maximum Number of Points 4

~~b.~~c. Universal Design Features

~~Based on the Development schematics, as set forth in the site plan of such amenities, the Authority will award one (1) point for every three (3) universal design features up to a total of three (3) points. All universal design features chosen by the Applicant should conform to the needs of the Development and its residents. Universal Design Features will be viewed as interchangeable within this list, but the total number of universal design features selected must remain the same.~~

~~All hallways 42" or wider in each unit~~	~~All wall reinforcements for handrails in each unit~~	~~A front control operated range in 5% of the units~~
~~All doorways 32" or wider in each unit~~	~~All wall reinforcements for grab bars in bath for each unit~~	~~Audio and visual smoke detectors in each unit~~
~~All electronic outlets raised 15" to 18" above the finished floor in each unit~~	~~All light switches located 48" above the finished floor in each unit~~	~~Toggle, rocker, or touch sensitive control panels instead of switches in each unit~~
~~Levers instead of door or faucet knobs on every door in each unit~~	~~30"x40" clear bathroom floor space with a door that swings out in 5% of the units~~	~~Adjustable height or hand-held showerhead with a flexible hose in all units~~
~~A fold down seat in the shower of 5% of the units~~	~~Roll-in shower with no curb in 5% of the units~~	~~Slide or bi-folding closet doors in all units~~
~~The bathtub controls located off center toward the outside of the tub in each unit~~	~~A removable base cabinet for required knee space in kitchens and baths in all bottom level units~~	~~Built in accessible height microwave in 5% of the units~~
~~All closet rods adjustable in each unit~~	~~30"x40" clear kitchen floor space in 5% of the units~~	~~Will have an accessible route to each bottom level unit that includes no steps or abrupt change of level~~
~~Front loading washer and dryer with front controls, raised on platforms to reduce need to bend, stoop, or lean over in each unit or all laundry facilities~~	~~All counter tops in bathrooms and kitchens adjustable in each unit~~	~~Tambour storage in kitchen at accessible level in each unit~~
~~Raised dishwasher unit that reduces bending/lifting~~	~~Lower wall oven cabinet~~	~~Blind base pull-out cabinetry (Pull Out Shelving)~~
~~Table pull out in kitchen or~~	~~Adjustable height shelves in wall~~	~~Counter cook top with toe & knee~~

~~work area~~	~~cabinets~~	~~clearance underneath~~
~~Loop handled pulls on drawers & cabinets~~	~~Glare-free task lighting for work areas~~	~~Interior pocket doors~~

Applicants are encouraged to adopt universal design features to the greatest extent possible. Based on the Development schematics, as set forth in the site plan of such amenities, the applicant's proposed design will be categorized as follows:

Grey Ribbon: Grey Ribbon applicants will have met IHCDA threshold requirements, such that all federal guidelines - enumerated in Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and the Uniform Federal Accessibility Standards – have been fully satisfied. Zero (0) points will be award to Grey Ribbon applicants.

Green Ribbon: Green Ribbon applicants must additionally adopt a mimimum of one(1) universal design feature from ***each*** Universal Design Column. Applicants failing to adopt one(1) universal design feature from Column A, Column B, and Column C in addition to satisfying IHCDA threshold requirements shall not be eligible for Green Ribbon status. Applicants successfully satisfying Green Ribbon requirements shall be awarded one(1) point.

Yellow Ribbon: Yellow Ribbon applicants must aggregately adopt a minimum of two(2) universal design features from ***each*** Universal Design Column. Applicants failing to adopt two(2) universal design features from Column A, Column B, and Column C in addition to satisfying IHCDA threshold requirements shall not be eligible for Yellow Ribbon status. Applicants successfully satisfying Yellow Ribbon requirements shall be awarded two(2) points.

Red Ribbon: Red Ribbon applicants must aggregately adopt a minimum of three(3) universal design features from ***each*** Universal Design Column. Applicants failing to adopt three (3) universal design features from Column A, Column B, and Column C in addition to satisfying IHCDA theshold requirements shall not be eligible for Red Ribbon status. Applicants successfully satisfying Red Ribbon status shall be awarded three (3) points.

Blue Ribbon: Blue Ribbon applicants must aggregately adopt a minimum of four (4) universal design features from ***each*** Universal Design Column. Applicants failing to adopt four (4) universal design features from Column A, Column B, and Column C in addition to satisfying

IHCDA theshold requirements shall not be eligible for Blue Ribbon status. Applicants successfully satisfying Blue Ribbon status shall be awarded four (4) points.

IHCDA encourages the adoption of universal design features best suited to the applicant's proposed development. To that end, IHCDA will accept proposed universal design features beyond the provided list relevant and necessary to the applicant's development. In submitting universal design proposals, the applicant must clearly describe the additional feature, provide justification for the necessity of its inclusion, and provide justification for the desired column classification. The evaluation, acceptance, and classification of universal design proposals is the sole discredtion of IHCDA.

Column Classification of Universal Design Features:

Features found in Column A are regarded as being of high cost and/or high burden of inclusion to the development. Features found in Column B are regarded as being of moderate cost and/or moderate burden of inclusion to the development. Features found in Column C are regarded as being of low cost and/or low burden of inclusion to the development. By columnizing such features, IHCDA encourages applicants to diversify their universal design portfolio to the greatest extent possible.

Column A	Column B	Column C
Front loading washer and dryer with front controls, raised on platforms to reduce need to bend, stoop, or lean over in each unit or all laundry facilities	An accessible route to each bottom level unit that includes no steps or abrupt change of level (All One & two family dwellings only)	Audio and visual smoke detectors in each unit
ADA Deep Bathtub with Door (Senior Living Facilities 10% of the units, and 5% of the units for non-senior)	Tambour storage in kitchen at accessible level in each unit	Light switches located 48" above the finished floor in each unit
Range/oven with front controls to avoid reaching over hot burners in 10% of the units	Interior pocket doors in each unit	Toggle, rocker, or touch sensitive control panels instead of switches in each unit
Raised in-wall oven cabinet that reduces the need to bend, stop, or lean in 10% of the units	Adjustable height shelves in wall cabinets in each unit	ADA Adjustable Tilt Mirrors in each unit
ADA Compliant Toilets in each	Door bell intercoms that connect to	Lever Handle Faucets in each

unit	portable telephones in each unit	unit (Excluding Tub controls)
Raised driveway and garage floor to eliminate barriers to enter dwelling in 10% of the units with garages	Adjustable height or hand-held showerhead with a flexible hose in all units	Full length mirrors with the bottom being no lower than 36" and top to be at least 72" from the floor in each unit
ADA Detectable Warning Strips at Curb Cuts and Transit Boarding Edges throughout the development	Remote control heating and cooling in each unit	Addresses/unit numbers in Braille in 5% of the units
Side by side refrigerators in each unit	30"x40" clear kitchen floor space in each unit	Remote control lighting in each unit
Power operated clothing carousels in 10% of the units	Table pull out in kitchen or work area in each unit	Bathtub controls located 48" above the tub floor in each unit
Garage door openers in each unit containing garages	Built in accessible height microwave in each of the units	Loop handled pulls on drawers & cabinets in each unit
All counter tops in bathrooms and kitchens adjustable in 10% of the units	Contrasting color border for kitchen and bathroom countertops in all units	Garden area raised which reduces the need to bend, stoop, or lean
Motion detector lighting at unit's floor level entrance in each unit	30"x40" clear bathroom floor space with a door that swings out in each of the units	Glare-free task lighting for work areas in each unit
A removable base cabinet for required knee space in kitchens and baths in all bottom level units	All hallways 42" or wider in each unit	The bathtub controls located off center toward the outside of the tub in each unit
Blind base pull-out cabinetry (Pull Out Shelving) in each unit	All wall reinforcements for handrails in each unit	All closet rods adjustable in each unit
Roll-in shower with no curb in each unit	All wall reinforcements for grab bars in bath for each unit (1 & 2-family dwelling only)	Slide or bi-folding closet doors in all units
Counter cook top with toe & knee clearance underneath in	All doorways 32" or wider in each	Levers instead of door or faucet knobs on every door in each

10% of the units	unit	unit
Raised dishwasher unit that reduces bending/lifting in 10% of the units	Kitchen Faucet with pull out spout in lieu of side mount sprayer in each unit	All electronic outlets raised 15" to 18" above the finished floor in each unit
A fold down seat in the shower of 10% of the units	Hardwired intercom in each unit	Lighted Doorbell in each unit
Grab bars in bathroom and shower in 10% of the units (1st bathroom only for two bathroom units)	Significant color contrast between floor surfaces and trim in each unit	Countertop lavatories with lavatories located as close to the front edge as possible in 10% of the units
Remote controlled drape and/or curtains in 5% of the units	Significant color contrast between stair risers and stair treads in each unit	Self-storing cabinet doors

Required Documentation: Completed Form A (Application) Section O.

Maximum Number of Points	~~3~~4

~~c.~~d. Unit Size

As provided in the Rental Housing Finance Application the net square footage is defined for the purpose of this scoring criteria to be the total livable space within the interior walls of the unit (this excludes garages, balconies, exterior storage and Development common areas). Points will be awarded based on the percentage of the proposed units that meet or exceed the minimum net square footage within a specific unit and development type.

% of Total Units	New Construction	*Adaptive Reuse	Rehab/Existing Housing
100%	5 points	5 points	5 points
99.99 – 95.0%	3 points	4 points	4 points
94.99 – 90.00%	2 points	4 points	4 points
89.99 - 85.00%	1 point	3 points	3 points
84.99 - 80.00%	1 point	3 points	3 points

79.99 - 75.00%	0 point	2 points	2 points
74.99 – 70.00%	0 point	2 points	2 points
69.99 – 65.00%	0 point	1 point	1 point
64.99 – 60.00%	0 point	1 point	1 point
59.99% or less	0 point	0 point	0 point

Development Type	Eff./0 BR Units minimum net sq. ft.	One BR units minimum net sq. ft. (minimum 1 bath required)	Two BR units minimum net sq. ft. (minimum 1 bath required)	Three BR units minimum net sq. ft. (minimum 1 ½ baths required for all new construction)	Four + BR units minimum net sq. ft. (minimum 2 baths required for all new construction)
New Construction	375 sq. ft.	675 sq. ft.	875 sq. ft.	1075 sq. ft.	1275 sq. ft.
*Adaptive Reuse	375 sq. ft.	675 sq. ft.	875 sq. ft.	1075 sq. ft.	1275 sq. ft.
Rehab/existing housing	350 sq. ft.	550 sq. ft.	680 sq. ft.	900 sq. ft.	1075 sq. ft.

*Adaptive Reuse is defined as a Development with building(s) that previously served a purpose other than housing.

Required Documentation: Complete Form A (Application) Section O. Floor plans with exact total net square footages printed clearly are required to receive these points. Place in Tab F.

Maximum Number of Points	**5**

~~d.~~e. ~~Existing~~ Vacant Structure

Development converts a percentage of total square footage in a 100% vacant structure (s) into rental housing or a portion for commercial use. Points will be awarded based on the percentage of the Development that is converted to affordable housing, commercial, and a ~~percentage of its~~ common area as follows:

50 % of the Total Development	~~2~~1 points
75% of the Total Development	~~3~~2 points
100% of the Total Development	~~5~~3 points

If any space in the existing structure will be used for a purpose other than housing, the applicant must state what the intended use of the remainder of the vacant structure will be. Eligible structures must contain a rental housing tax credit unit in a qualified rental housing tax credit building.

Required Documentation: Completed Form A (Application) Section O.

Maximum Number of Points	~~5~~3

~~e.~~f. Development is Historic in Nature

At least 50% of the total units must be located in eligible historic buildings in order for a Development to receive points in this category.

1) Developments that are listed on the National Register of Historic Places, the Indiana Register of Historic Sites and Structures, or have received local landmark designation through a local historic preservation commission through an ordinance will receive two (2) points (must provide evidence building is individually listed on the National Register of Historic Places, Indiana Register of Historic Sites and Structures, or has received local landmark designation through a local historic preservation commission through an ordinance).

Required Documentation: 1) A letter from the National Park Service verifying the building(s) are listed on the Register or verification of the listing through the National Park Service website at www.cr.nps.gov/nr/; or 2) A letter from the Indiana Division of Historic Preservation and Archaeology or verification of the listing through the Indiana Department of Natural Resources website at www.in.gov/dnr/historic; or 3) A copy of the ordinance passed by a local historic preservation commission with a listing of commission members; or 4) a copy of the Indiana Historic Register or Historic Sites and Structures Place in Tab P.

2) Developments that will utilize Historic Tax Credits (Federal or State) on the residential portion of the building(s) will receive three (3) points. Must have submitted a Part 1 application and received a recommendation for approval by the Indiana Department of Natural Resources Division of Historic Preservation and Archaeology.

Required Documentation: Must include a copy of the historic application and "approved" Part I. Place in Tab P.

Maximum Number of Points	3

~~f.~~g. Preservation of Existing Affordable Housing

Points will be awarded for up to the maximum of eight (8) points in this category as follows:

1) Eight (8) points will be awarded for an Application that proposes the preservation of an existing affordable housing Development assisted with Rental Housing Tax Credits that will/have expire(d) in the current year or earlier. IHCDA will review the owner's past noncompliance, if any.

Required Documentation: A statement from the Applicant that provides the following information: a) All current Building Identification Numbers (BIN) for the Development; b) The name of the Development during the time it was a RHTC Development; and c) The address of all buildings in the Development. Place in Tab P.

OR

2) Up to Eight (8) points will be awarded for an Application that proposes the preservation of a previously HUD funded or USDA funded affordable non-public housing Development (such as project based Section 8 or other forms of HUD funding or RD 515 properties). Developments receiving a preservation priority designation from HUD or USDA will be awarded points as follows:

a)	Developments receiving a designation of high priority	8 points
b)	Developments receiving a designation of medium priority	5 points
c)	Developments receiving a designation of low priority	3 points

Required Documentation: A letter from HUD or USDA that states the priority designations (high, medium, or low priority) for projects that are the subject of an Application pursuant to this Plan.

The following information must be sent to the Indianapolis HUD Field Office 60 days prior to the application due date before a priority designation can be made.

a) Source of Funds from Form A, Section W
b) Cost/Basis/Maximum Allowable Credit from Form A, Section X
c) Copy of the Capital Needs Assessment

The documentation from HUD or USDA of the Development's preservation priority designation must be placed in Tab P.

OR

3) Six (6) points will be awarded for an Application that proposes the preservation of any other affordable housing Development.

Required Documentation: Third party documentation from the entity enforcing affordable housing requirements evidencing the rent and income restrictions applicable to such property including the term of such restrictions must be submitted and placed in Tab P.

Maximum Number of Points	**8**

h. Infill

8 points will be awarded to applications that meet IHCDA's criteria for Infill. IHCDA defines infill housing as the process of developing vacant or underused parcels of land within existing urban areas that are already largely developed or previously developed. For purposes of this category, Agricultural Land does not qualify as infill housing.

The development must meet the following:

i. The site must be surrounded on at least two sides with adjacent established development. Parks and green space area may qualify as established development, provided that it is part of a master plan or recorded instrument. IHCDA will look at the entire development site for phased developments.
ii. The site must maximize the use of existing utilities and infrastructure.
iii. At least one side of the development must be adjacent to occupied residential development, operating commercial development, active public space or another active community amenity.

Required Documentation: Place all documentation in Tab P.

i. Documentation that the Applicant has site control over all parcels set out in a proposed development must be submitted in the Application.
ii. Aerial photos of the proposed site.
iii. If an established park or green space area, documentation of such must be submitted in the application.

Maximum Number of Points 8

i. Adaptive Reuse

5 pointes will be awarded if the proposed development is an adaptive reuse of an entire existing building and constitutes a significant part of the development as a whole. 3 points

will be awarded for adaptive reuse of part of a building. Adaptive reuse is defined as the change in use of a major building for residential use or as a community building. The reuses of buildings that are already part of an existing multifamily development are not eligible for these points

Required Documentation: Place all documentation in Tab P.

i. Documentation on the previous use of the building
ii. Photographs of the building to be reused
iii. Documentation of whether or not the building is occupied
iv. Narrative of how building will be reused.

Maximum Number of Points 5

j. Brownfield

5 points will be awarded if the proposed development is the redevelopment of a Brownfield site. The definition of a Brownfield site is one where the EPA, IDEM, or other environmental regulatory agency has defined the site as a Brownfield site and has determined the applicable guidelines for the cleanup required for residential uses.

Required Documentation: Place all documentation in Tab P.

i. Evidence of designation as a Brownfield site
ii. An Attorney opinion letter stating that the property appears to meet the requirements of a Site Status Letter, Comfort Letter, or Letter of No Further Action from IFA.
iii. Proposed scope of work for cleanup of site.
iv. Time line for cleanup of site.
v. Detailed budget for cleanup.

Maximum Number of Points 5

k. Promotes Neighborhood Stabilization

10 points will be awarded to a proposed development that is recognized by the local government as assisting in the stabilization of a neighborhood by demolishing or redeveloping property that has been foreclosed, abandoned, or constitutes blight or greyfield redevelopment.

A property will be considered "foreclosed upon" at the point that the mortgage or tax foreclosure is complete. The title for the property must be transferred from the former

homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure in accordance to state or local law.

A property will be considered "abandoned" when mortgage or tax foreclosure proceedings have been initiated for the property, no mortgage or tax payments have been made by the property owner for at least 90 days and the property has been vacant for at least 90 days.

A property will be considered "blighted" if the site is conducive to ill health, transmission of disease, infant mortality, or crime in the immediate proximity of the property and presents at least two (2) or more of the following conditions:

i. Uninhabitable, unsafe, or abandoned structures;
ii. Inadequate provisions for ventilation, light, air, or sanitation;
iii. An imminent harm to life or other property caused by fire, flood, tornado, storm, or other natural catastrophe respecting which the Governor has declared a state of emergency under state law or has certified the need for disaster assistance under federal law; provided, that the owner failed to take reasonable measures to remedy the harm;
iv. A site identified by the federal Environmental Protection Agency as a Superfund site pursuant to 42 U.S. C Section 9601, et seq., or environmental contamination to an extent that requires remedial investigation or a feasibility study;
v. Repeated illegal activity on the individual property of which the property owner knew or should have known;
vi. The maintenance of the property is below state, county, or municipal codes for at least one year after notice of the code violation;
vii. The site is partially built with no work on the property for a period in excess of six months; and/or full debt service payments have not been made on the property for a period of at least 90 days, and the lender and/or local government provides a letter outlining the effect the property has on the surrounding community.
viii. Properties that were acquired for redevelopment purposes by a government entity or community organization that were foreclosed, abandoned or blighted when acquired will be considered eligible properties.

A property will be considered "greyfield redevelopment" if it was a previously developed retail or other commercial (non-residential) center that suffers from a lack of reinvestment due to abandonment of tenants but that has underlying utilities and paved infrastructure that allow a developer to more efficiently improve the site. The site must be vacant, abandoned or 90% of the square footage is unused, and at least 25% of the site must be compromised of associated parking areas.

Required Documentation: Place all documentation in Tab P.

i. Pictures of the proposed site and the surrounding area
ii. Copy of applicable foreclosure documents
iii. If "abandoned," evidence from the mortgage lender and/or tax authority that payments have been delinquent for at least 90 days and that foreclosure proceedings have been initiated.
iv. A letter from the highest elected local official certifying that the redevelopment of the property will assist in stabilizing the neighborhood
v. Narrative of how the project promotes the purposes of the neighborhood stabilization

Maximum Number of Points 10

l. Local Redevelopment Plan

12 - 15 points will be awarded if there is an adopted redevelopment or community revitalization plan that clearly targets the specific neighborhood in which the project is located.

The Community Redevelopment/Revitalization Plan must include:

i. A clearly delineated target area that includes the proposed project site;
ii. Detailed policy goals, which must include the rehabilitation or production of affordable rental housing;
iii. Implementation measures along with specific, current, and ongoing time frames for the achievement of such policies and housing activities;
iv. The proposed development project must support at least one of the goals of the redevelopment or revitalization plan; and
v. An assessment of the existing physical structures and infrastructures of the community.

The following are not eligible:

i. Short-term work plans;
ii. Consolidated plans, municipal zoning plans, or land use plans; or
iii. Plans that are more than 4 years old and/or do not reflect the current neighborhood conditions.

Required Documentation: Place all documentation in Tab P.

i. Documentation of the process used to develop and adopt the plan;
ii. Details regarding community input and public hearings held prior to the adoption of the plan must be included in the application;
iii. A copy of the entire plan must be submitted;

iv. Evidence of adoption;

v. A map of area targeted by plan identifying location of project.

Maximum Number of Points 12

If the plan has been adopted by a local unit of government and meets items i through v, an additional 3 points will be awarded.

Required Documentation: Place all documentation in Tab P.

vi. Documentation of the process the local unit of government used to develop and adopt the plan; and

vii. Written approval from the local unit of government verifying the adoption of the plan.

Maximum Number of Points 15

m. Federally Assisted Revitalization Award

5 points will be awarded if the proposed project is a phase or component of a PHA sponsored HOPE VI or Choice Neighborhoods revitalization initiative; OR

5 points will be awarded if the proposed project is a phase or component of a revitalization initiative, in which a PHA is a central sponsor and funder but does not include HOPE VI or Choice Neighborhoods funding; OR

5 points will be awarded if the proposed project is a phase or component of a HUD funded Promise Neighborhoods or Sustainable Communities initiative; OR

5 points will be awarded if the proposed project is a phase or component of a New Market Tax Credit Development.

The initiative must have:

i. Provided affordable units for an extended period of 30 years or more;

ii. Be part of a mixed income phased community with a significant market component;

iii. Facilitate the de-concentration of poverty; and

iv. Provide for community improvements or amenities, which may include but are not limited to new or improved public infrastructure, green-space, improved transportation, quality of life enhancements, or other improvements benefiting the community.

Required Documentation: Place all documentation in Tab P.

i. A copy of the Grant/Award Agreement, which identifies the entity receiving the grant and the amount of the grant, and additional documentation reflecting the time limits for use of the grant;
ii. A letter from the Executive Director of the identified entity certifying that:
iii. The development proposed in the application is identified in the federally funded grant application or Revitalization Plan;
iv. The housing units are an essential element of that Plan; and
v. The Tax Credits for the development proposed in the application are essential component of the financing plan for the grant.
vi. A copy of the HUD approved Revitalization Plan (if applicable).

Maximum Number of Points 5

n. Off Site Improvement, Amenity and Facility Investment

10 points will be awarded if an unrelated third party (foundation, trust, government entity, or private corporation) investment of resources is provided that will result in off-site infrastructure improvements adjacent to the project site, and/or the development of parks, green space and shared amenities, recreational facilities and improvements adjacent to the proposed project site that will serve the tenant base for the subject project. The proposed improvements , amenities, and/or facilities must be completed prior to the proposed placed in service date for the project. The development cost and source of funding associated with the development of the improvements, amenities and/or facilities must be mutually exclusive of the development cost and sources of funding for the subject property. The cost for the improvement must be at least $100,000 and be paid for in full by the unrelated third party. Examples of third party improvements, amenities, and facility investment of resources include, but are not limited to, the following:

i. Construction of off-site or on-site access road which is required for access to the property,
ii. Reconstruction of existing roads and streetscapes,
iii. Reconstruction of vacant or blighted land with new infrastructure that promotes comprehensive revitalization such as new residential blocks and streets,
iv. Development of parks, green space or walking trails on a master plan development site,
v. Development of community centers or similar facilities that promote cultural, educational, recreational, or supportive services for a community,
vi. Construction of sidewalks or streetscape adjacent to the property,

vii. Construction of shopping or retail center adjacent to the property.

Third party investments that will be developed regardless of the proposed development will not be eligible for points in this section.

Required Documentation: Place all documentation in Tab P.

i. Conditional commitment of funds
ii. Detailed source and uses of funds
iii. Timeline for completion,
iv. Map showing location and description of improvements to the site,
v. A narrative, which includes how the investment will benefit the tenants.

Maximum Number of Points 10

o. Phased Developments

3 points will be awarded if a proposed project is part of a larger, multi-phased development project. At least one or more phases must have received an allocation of Rental Housing Tax Credits and at least one phase has began construction. In addition, the proposed project must be part of a community revitalization effort. Documentation of the Master plan, site control, total project concept, and evidence of community revitalization effort must be submitted. Only developments that were originally designed to be one total development as a phased development will be eligible for points.

Maximum Number of Points 3

4. High Performance Housing Characteristics

Information regarding High Performance Housing can be found on various web sites. Please refer to Appendix I for a non-exhaustive list of web sites and specific requirements for each sub-category with examples.

a. Energy Efficiency

1) 3 points will be awarded for providing every unit with an Energy Star® Rated furnace or heat pump, Energy Star® Rated air conditioner, and Energy Star® Rated windows and exterior doors.

2) ~~3 Points will be awarded for providing Energy Star® Certified Building Envelopes at all buildings. To qualify for the ENERGY STAR® label, the energy performance of traditionally-built and systems-built (modular, ICF, SIP) homes must be independently verified by a home energy verification organization. This is done~~

~~either through a Home Energy Rating System (HERS) rating or an ENERGY STAR® approved Builder Option Package (BOP).~~

~~An Energy Star® Rated Unit is one which is at least 15% more energy efficient than homes built to the 2006 International Energy Conservation Code (IECC). To build an Energy Star® Rated unit, the applicant will first procure an Energy Star® certified rater. The rater will work with the applicant to determine which energy efficient features to put into their units in order to achieve the Energy Star® rating (i.e. some combination of installing high R-value insulation or high performance windows, tightly sealing the home's 'envelope' and duct work, using energy efficient heating and cooling systems, and using energy efficient appliances and lighting systems). The rater will then conduct on-site tests of the structure during the construction process (i.e. insulation, duct work, air sealing, etc.), and will perform a final test of the home at completion, which could include a blower door test to check the leakiness of the home's 'envelope', a duct blaster test to check the leakiness of the duct system, and/or completion of a thermal bypass checklist (a visual inspection of common construction areas where air can flow through or around insulation).~~

3) 1/2 point will be awarded for every item selected for a maximum of ~~4~~5 points:

~~a) Energy Star® Rated refrigerators in every unit~~
~~b)~~a) Energy Star® Rated dishwashers in every unit
~~c)~~b) Energy Star® qualified roof products (for all buildings) in every unit
~~d)~~c) Energy Star® Rated ceiling fans in every unit
~~e)~~d) Installation of Energy Star® Rated lighting fixtures or the Energy Star® Advanced Lighting Package in all interior units and use of Energy Star® or high-efficiency commercial grade fixtures in all common areas and outdoors.
~~f)~~e) Energy Star® rated clothes washer in every unit
~~g)~~f) Energy Star® Rated programmable thermostat in every unit
~~h)~~g) Use of insulation blankets for all hot water heaters – rehabilitation only when replacement of water heaters is not being proposed.
~~i)~~h) Energy Star® Rated bathroom fans that exhaust to the outdoors in every unit
~~j)~~i) Energy Star labeled range hood fans in each unit
~~k)~~j) Tankless or "Point of Use" water heaters in every unit
~~l)~~k) Water conservation Toilets – 1.3 GPF (gallons per flush) or better in every unit
~~m)~~l) Water conservation Showerheads – 2.0 GPM (gallons per minute) or better in every unit
~~n)~~m) Water conservation Kitchen faucets – 1.5 GPM or better in every unit
~~o)~~n) Water conservation – lavatory faucets – 2.0 GPM or better in every unit
~~p)~~o) Energy Star® Fenestration products (examples include windows, doors, skylights) - Energy Star fenestration products may not be included as part of

the required number of items in this section, if Points are to be awarded for Energy Star Certified Envelopes.

Required Documentation: Completed Form A (Application) Section O. Failure to meet the commitments promised in this section may result in a loss of credits. Information regarding Energy Star rated items can be found at http://www.energystar.gov/.

Maximum Number of Points	~~10~~8

b. Sustainable Development Characteristics

~~1) Re-Cycled Content~~

~~1/4 point will be awarded for each type of Re-Cycled content building material utilized for all buildings for a maximum of 2 points.~~

~~**Required Documentation:** Completed Form A (Application) Section O.~~

~~2) Low Volatile Organic Compounds (VOC)~~

~~1/4 point will be awarded for each type of Low Volatile Organic Compound (VOC) finishes and building materials utilized for all apartments and buildings for a maximum of 1 point.~~

~~**Required Documentation:** Completed Form A (Application) Section O.~~

~~3) Low Impact Construction Practices~~

~~1/2 point will be awarded for each type of Low Impact Construction Practice utilized for all buildings for a maximum of 2 points. A LEED or Green Building Professional must be retained for the services of designing and certifying that the practices meet Low Impact Construction Practices.~~

~~**Required Documentation:** Completed Form A (Application) Section O.~~

~~4) Low Impact Procurement Practices~~

~~1/2 point will be awarded for each type of Low Impact Procurement construction materials obtained within 500 miles of the development for a maximum of 1 point.~~

~~**Required Documentation:** Completed Form A (Application) Section O.~~

~~5) Owner Paid Utilities~~

~~1 point will be awarded if the Owner agrees to pay all utilities. Utilities include heating, air conditioning, cooking, lighting, hot water, water, sewer, and trash.~~

~~**Required Documentation:** Completed Form A (Application) Section O.~~

~~6)~~1) Smart Use Training

2 points will be awarded for a Smart Use Training provided to all tenants during the compliance period for a maximum of 2 points.

Required Documentation: Completed Form A (Application) Section O. The Smart Use Training curriculum must be available for review at all times after the placed in service date and supporting documentation demonstrating participation by all tenants.

2) Building Certification

Points will be awarded if the Development commitments to all buildings receive the following certification.

Certification	Points
LEED Silver Rating	4 points
LEED Gold Rating	5 Points
LEED Platinum Rating	6 Points
ICC 700-2008 Silver Rating	4 points
ICC 700-2008 Gold Rating	5 Points
ICC 700-2008 Emerald Rating	6 points
Energy Star® 1-Star + Rating	2 Points
Energy Star® 2-Star Rating	2.5 Points
Energy Star® 2-Star + Rating	3 Points
Energy Star® 3-Star Rating	3.5 points
Energy Star® 3-Star + Rating	4 points
Energy Star® 4-Star Rating	4.5 points
Energy Star® 4-Star + Rating	5 points

Energy Star® 5-Star Rating	6 Points
Equivalent under a ratings for systems that are accredited by the American National Standards institute may earn equivalent points for equivalent end results of the above listed items.	Up to 6 Points

Required Documentation: Completed Form A (Application) Section O.

~~7)~~3) Desirable Sites

Desirable sites, which are or will be, located in close proximity and are accessible to desirable facilities tailored to the needs of the development's tenants, such as Private Service, Public Service, and/or Health Related Entities will be awarded points.

Private Facilities ¼ mile or less from the development will be calculated at .~~75~~.50 points each; ½ to ¼ mile will be calculated at .~~5~~.25 points ~~each~~ for two private facilities~~; ½ to 1 mile will be calculated at .25 points each with a~~ A maximum of 2.5 points.

Public & Health Facilities ¼ mile or less from the development will be calculated at 1 point each; ½ to ¼ mile will be calculated at .5 points each; ~~½ to 1 mile will be calculated at .25 points each with a~~ A maximum of 2.5 points.

Below is a non-exhaustive list of examples of the three (3) categories of desirable facilities:

a) Private Service Facilities may include facilities such as gas stations, convenience stores, shopping malls, grocery stores, major employers, restaurants, and banks.

b) Public Service Facilities may include facilities such as public transportation, parks, libraries, community centers, post offices, schools, public service organizations.

c) Health Related Entities may include facilities such as hospitals, pharmacies, doctor offices, dentist offices, and optometrist offices.

NOTE: Once a facility or group of facilities is utilized for points, the utilized facility or group of facilities may not be re-used in another formula for points again. However, facilities may be calculated at different variations of distances in order to accumulate the highest point value for every facility in close proximity to the property with a maximum of 2.5 points for private facilities, and 2.5 points for public/health facilities.

Required Documentation: Completed Form A (Application) Section O. 1) A site map indicating the specific locations of each desirable facility/activity, as well as, all undesirable facilities/activities (i.e. junkyards, hazardous, chemical or heavy manufactures, unoccupied/unsecured buildings with evidence of loitering, trespassing or other criminal activity, etc.). The map must contain a key stating the type of facility/activity identified, and must include the following:

a) location of site including an indication of major access roads;
b) indication of distances with a 1/4 mile radius indicated on the map;
c) areas of residential development adjacent to or near the site;
d) indication of any significant industrial or commercial development; and
e) all desirable facilities or activities.

Please provide photographs of the site and the surrounding neighborhood. All photographs are to be either color originals or color copies. Place in Tab Q.

NOTE: If map, key and photos containing the above requirements are located within the market study, no additional map is required. Please indicate the page number(s) the information can be found within the market study on the Application's self-score sheet Notes section (Form A – Application).

At IHCDA's sole discretion, undesirable facilities and/or activities located within a mile distance of the proposed site may disqualify a Development from receiving this point.

Maximum Number of Points	~~14~~5

5. Financing & Market

a. The Development has received ~~written approval~~a firm commitment that does not require any further approvals for ~~monetary local government (town, city, or county) funding~~ public or private funds that specifically enhance~~s~~ and/or create~~s~~ significant cost savings for the Development. "Public funds" include federal, state, or local government funds, including the outstanding principal balances of prior direct federal debt or subsidized debt that has been or will be assumed in the course of an acquisition/rehabilitation transaction, funds from a local community foundation, funds already awarded under the Affordable Housing Program of the Federal Home Loan Bank (AHP), waivers resulting in quantifiable cost savings that are not required by federal or state law.

~~a.~~ Public funds structured as soft loans must have terms in excess of 15 years, and below market interest rates, interest accruals, residual receipts payments or other preferred terms for at least the first fifteen years of their terms. ~~Including but not limited to tax abatement, infrastructure, grants, land, building(s), permit fee or other fee waivers, etc. Must disclose~~

~~amount of monetary funding to receive points.~~ Points will be awarded based on amount of funding/cost savings as follows:

% of Total Development Cost	Point(s)
.~~00001 to~~ .50% to .99%	1 point
~~.51 to .99%~~1.00% to 1.99%	2 points
~~1.00 to 1.50%~~2.00% to 2.99%	2.25 points
~~1.51 to 2.50%~~3.00% to 3.99%	2.5 points
~~2.51 to 2.99%~~4.00% to 4.99%	2.75 points
Greater than ~~3~~5.00%	3 points

For purposes of this category, local government funding (i.e. HOME, etc.) that is loaned to a Development at the applicable federal interest rate will NOT be considered as enhancing or creating a significant cost savings for a Development and will not be considered when determining the amount of local government funding to receive points.

Required Documentation: A letter from the appropriate authorized official ~~at the local government~~ approving the ~~monetary contribution~~ funds. The letter must include: 1) the ~~local unit of government has~~ approved funding specifically for the proposed Development; and 2) the amount of ~~monetary~~ funding ~~the local unit of government has approved~~ (if tax abatement, the local unit of government must estimate the monetary amount).

If the principal balances of any prior publicly funded or subsidized loans are to be assumed in the course of a proposed acquisition, verification of approval of the loan assumption or other required procedure by the agency initially approving the subsidy will be required.

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

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

Maximum Number of Points	**3**

b. Credit Reduction: A project that reduces the amount of Tax Credits it is requesting shall receive 1 point for each percent that its qualified basis is reduced (up to five (5%) percent, then 1 point for each percent thereafter). In order to receive points in this category, committed funds must be part of the permanent sources for the development and remain in place for at least ten years.

Example:

Total Development Cost:	$10,000,000
Eligible Basis:	$ 9,000,000
Applicable Fraction:	100%
Applicable Percent:	9%
Maximum Allowable Credit:	$ 810,000
Credits Request:	$ 787,700

% of Maximum Credits Available/Requested: 97%

Therefore, by requesting 3% less than the maximum allowable credit amount, 3 points would be awarded.

Maximum Number of Points 5

~~b.~~c. The Applicant will utilize sources other than RHTCs as part of the overall financing structure. Points will be awarded based on the ratio of the 10-year amount of RHTCs requested as follows:

10 year amount of requested Credit is 70% - 80% of Total Development Cost	1 point
10 year amount of requested Credit is 60% - 69.99% of Total Development Cost	2 points
10 year amount of requested Credit is less than or equal to 59.99% of Total Development Cost	3 points

NOTE: If at final application, the Development does not qualify for these points, IHCDA will reduce the RHTCs associated with the Development until the Development qualifies for these points once more.

Maximum Number of Points	**3**

~~c.~~d. "Difficult to Develop Area"

A "Difficult to Develop Area" means that the Development is located in a "qualified census tract" of a metropolitan statistical area or a "difficult development area" as designated by the Secretary of HUD for the RHTC program, or an Area of Chronic Economic Distress as designated by the State and approved by the Secretary of the Treasury and the Secretary of HUD. (See Appendix F).

Required Documentation: To receive points for being located in a qualified census tract, the Applicant must provide a census tract map with the proposed Development site indicated. Place in Tab Q.

Maximum Number of Points	3

~~d.~~e. Local Housing Needs

If a county's total RHTC allocation is below 1.5% of the total State allocation, a development will receive points based on the county's percentage of the total State population:

% of State Population	Points	% of State Population	Points	% of State Population	Points
2.20 – 2.50	.5 pts	.69 - .60	2.5 pts	.29 - .20	4.5 pts
2.19 – 1.50	1.0 pt	.59 - .50	3.0 pts	.19 - .01	5.0 pts
1.49 - .90	1.5 pts	.49 - .40	3.5 pts		
.89 - 70	2.0 pts	.30 - .39	4.0 pts		

A list of county rankings is located in Appendix C. The Authority will update the ranking order after each round of reservations.

Maximum Number of Points	5

~~e.~~f. Previous funding within a Local Government

If a Development's proposed site does not fall within the boundaries of a Local Government in which there has been an RHTC and/or Tax Exempt Bond allocation within the last three years, the proposed Development will receive three (3) points. If a Development's proposed site falls within the boundaries of a Local Government in which there has been an RHTC and/or Tax Exempt Bond allocation within the last three years, the proposed development will receive points corresponding to the total number of RHTCs and/or a Tax Exempt Bond units financed within the boundaries of that city/town. Developments that have rehabilitated existing RHTC and/or Tax Exempt Bond units will be excluded from the calculation.

Total Number of RHTC/Bond Units	Points	Total Number of RHTC/Bond Units	Points
0 units	3.0 pts	151 – 200 units	1.0 pt

1 – 50 units	2.5 pts	201 – 250 units	.5 pts
51 – 100 units	2.0 pts	251 or more units	0 pts
101 – 150 units	1.5 pts		

Maximum Number of Points	**3**

~~f.~~g. Subsidized Housing Waiting List

Applicant executes and provides to the Authority a written agreement signed by all parties (the Applicant and the appropriate official for the local or regional public housing representative) with the local or regional public housing representative agreeing to give priority to households on waiting lists for subsidized or public housing.

Required Documentation: The Applicant and local or regional public housing representative must enter into an agreement whereby the owner agrees to: 1) give priority to households on waiting lists for subsidized or public housing; and 2) notify the local or regional public housing representative when vacancies occur at the Development.

The local or regional public housing representative must agree to: 1) refer qualified households to the Development; and 2) notify households on the waiting list of vacancies and the priority given to such households at the Development.

Place in Tab O.

Maximum Number of Points	**2**

~~g.~~h. Community Revitalization Preservation

The Development's rehabilitation will support community preservation. The Development must be at least 75% rehabilitation, part of a City~~'s~~ or Town's Revitalization Plan, or an Infill housing Development that conforms to the existing neighborhood. The Development must be located within the corporate limits of a City or Town.

Applicants that propose a site that has been used as Agricultural Land (see Schedule H, Glossary for definition) within the past five (5) years will not be eligible for the Community Revitalization Preservation points.

Required Documentation: 1) A letter from the highest local elected official which specifically: a) describes the Development and the plans for its preservation; b) defines the neighborhood or area; c) describes intended uses; d) states the Development's rehabilitation compatibility to the area, and materially benefits the neighborhood or area; and e) how the proposed Development will fit with the City's approved Revitalization Plan (if applicable). AND 2) A certification from the architect detailing how the Development will conform to the surrounding neighborhood; and 3) If a HOPE VI transaction, a copy of the approval letter from HUD for the HOPE VI funds must be included. Place in Tab P.

Maximum Number of Points	~~10~~7

~~h.~~i. Lease Purchase

Development that will offer homeownership opportunities to qualified tenants after the initial 15 year compliance period (Please see IRS Rev. Ruling 95-49). This option is not available for elderly Developments. This point will be available only for single family, townhouse or duplex units. Applicants must have a viable homeownership strategy for residents who inhabit the units during the compliance period. Appropriate supportive services must also be provided for the residents. Please refer to the Compliance Manual Part 4.7.D (Schedule A) for additional Lease Purchase Program requirements.

Required Documentation: The following must all be placed in Tab R: 1) A detailed outline of the lease-purchase program. The plan must include a limited partnership ownership exit strategy. The strategy must incorporate an exit strategy, homeownership counseling and a minimum amount of funds set-aside by the owner to assist the resident in the purchase; and 2) the lease-purchase agreement, signed and agreed to by all parties, with the non-profit organization that will implement the lease-purchase program.

Maximum Number of Points	**1**

6. Other

a. Certified Tax Credit Compliance Specialist

1) Management: As part of the Management Entity identified in Form A, the applicant must identify staff serving in a supervisory capacity who have been certified as a tax credit compliance specialist under the following certified trainings. 1 point will be awarded for the first certification and 2 points will be awarded for a second certification

with a maximum of 3 points. Only one certification per training will be eligible to receive points.

2) Owner: 1 point will be awarded if the owner(s) has been certified as a tax credit compliance specialist under the following certified trainings. An owner is defined as a principal of each general partner identified in the owner information chart within section D(2)(b) of Form A.

Certification	Sponsoring Organization	Website
Certified Credit Compliance Specialist (C3P)	Spectrum	www.spectrumseminars.com
Tax Credit Compliance Specialist (TaCCs)	Quadel	www.quadel.com
Site Compliance Specialist (SCS)	Housing Credit College	www.housingcreditcollege.com
National Compliance Professional or National Compliance Professional Executive (NCP or NCP-E)	National Compliance Professional	www.nationalcompliancepro.com
Housing Credit Certified Professional (HCCP)	National Association of Home Builders	www.nahb.org
Specialist in Housing Credit Management® (SHMC®)	National Affordable Housing Management Association (NAHMA)	www.nahma.org
Tax Credit Specialist (TCS) and (eTCS)	National Center For Housing Management (NCHM)	www.nchm.org

Required Documentation: Provide copies of the certification(s) in Tab S.

Maximum Number of Points	**4**

b. Local Unit of Government Notification

Points will be awarded to Developments that contribute to the housing and revitalization needs of a community and/or further the community's housing goals. Up to 5 points will be awarded by the local unit of government by completing Form C which must be signed by the highest elected official (or authorized designee).

Local Units of Government that receive multiple requests are encouraged to use the 0 to 5 point scoring system to rank each of their developments and avoid awarding the same number of points to more than one development.

Required Documentation: Form C fully completed and signed by the highest local elected official (or authorized designee). Tab B.

Maximum Number of Points	**5**

c. Minority Business Enterprise (MBE) Participation and Women Business Enterprise (WBE) Participation

Minority Business Enterprise and Women Business Enterprise, including DMBE (Disadvantaged Minority Business Enterprise), and (Disadvantaged Woman Business Enterprise) and DMWBE (Disadvantaged Minority Woman Business Enterprise), means as an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more persons who are: (a) United States Citizens and (b) Members of a racial minority group or female in gender as evidenced by certification from the Indiana Department of Administration, Office of Minority Development. (The Authority understands that this Department does not issue certifications for housing. However, the certification from this Department is acceptable.) "Owned and controlled" means having for: (i) owners and developers: (a) 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); (b) control over the management and active in the day to day operation of the business; (c) an interest in the capital, assets and profits and losses of the business proportional to the percentage of ownership; and (d) materially participates in the Development or management of the Development; or (ii) contractors and management entities: (a) 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); (b) control over the management and active in the day to day operation of the business; and (c) an interest in the capital, assets and profits and losses of the business proportional to the percentage of ownership. Points will be awarded with one (1) point per certification submitted. Points will be awarded as follows:

Entity	Points	Entity	Points
Owner (controlling interest in general partner)	1 pt	Developer	1 pt
Management Entity (Minimum 2 year Contract)*	1 pt	Contractor	1 pt
Architect/Engineer (part of Development Team)	½ pt	Subcontractor	½ pt

*Management Entity must have control over all management activities for the Development. The management agent listed on the application must be used by the owner of the Development for at least two years after Development's completion unless the agent is guilty of material non-performance of duties. Upon notification to the Authority, a substitution of management agent prior to the 2 year period may be permitted in the sole discretion of the Authority.

Required Documentation: The following must be placed in Tab S: 1) All applicable Development, management and contractor agreements (complete with fee structure) and the names and addresses of all owners, principals and their respective affiliation; and 2) A copy of the entity's certification from the Indiana Department of Administration.

Maximum Number of Points	**2**

d. Unique Features

The Development has unique features that contribute to the Development of affordable housing in the community where the Development is located. This may include the unit and common area amenities, financial structure, community support, location, and/or services offered to all residents. Points are awarded relative to other Developments being scored during each Application cycle and are awarded in IHCDA's sole and absolute discretion. The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of 5 points.

% of Applications	5%	8%	12%	16%	18%	16%	12%	8%	5%
Points	5.0 pts	4.5 pts	4.0 pts	3.5 pts	3.0 pts	2.5 pts	2.0 pts	1.5 pts.	1.0 pt

Required Documentation: IHCDA will use the Narrative Summary (which should include a unique features section) submitted for the proposed Development and other information submitted within the application to determine points awarded. Place in Tab A.

Maximum Number of Points	**5**

~~e. Services~~

~~Typically referred to as services, IHCDA refers to activities and/or incentives offered to residents of the development as Tenant Investment Programs ("TIPs"). The Authority is~~

~~specifically analyzing this section for any combination of programs that are tailored to the needs of the targeted tenants and encourage tenants to invest in their overall well-being, neighborhood/apartment community, and/or environment. The intent is to utilize opportunities that may not otherwise be accessible for tenants and will ultimately build positive tenant relationships and a stable community in the Development. TIPs should add no extra cost to the tenant; however, some classes/activities offered might require a maintenance fee. This fee must remain minimal and when added with the charged rent, together, does not exceed the maximum allowable rent. TIPs may target specific tenants of the development but must be optional and inclusive to tenants of both Tax Credit and Market Rate units within the Development.~~

~~Points will be awarded based on the overall TIPs plan. Programs that meet the criteria of Level 3 will be given preference over those programs of the Level 1 category. However, the TIPs plan with the most programs that address the needs of the development's tenants will receive highest point consideration. Programs with a combination of Level 1, 2 and/or 3 are eligible to receive the maximum of six (6) points. Programs at a Level 4 designation will be eligible to receive a maximum of 8 points.~~

~~Service Level Descriptions~~

~~1) Level 1 – This category is for TIPs that will provide a good or service as a tenant incentive and require minimal or no ongoing tenant participation and/or program management. Incentives may include discounts, referrals or offering exceptional educational resources to tenants in the community. Applicants are encouraged to network with local businesses or agencies to offer unique but valuable incentives to current and/or future tenants.~~

~~The maximum number of points awarded for all Level 1 services is 3 points.~~

~~2) Level 2 – This category is for TIPs that are offered multiple times a year (at least 4 times) OR continuously, depending on the program. Management involvement need not be extensive with these programs; however, an adequate plan for administering the program(s) must be outlined in the TIPs plan.~~

~~The maximum number of points awarded for all Level 2 or Level 1 & 2 combination services is 4 points.~~

~~3) Level 3 – This category is for TIPs that are ongoing and require both extensive tenant participation as well as management maintenance. TIPs should be creatively designed to operate as a tenant/management partnership, such as having specific tenants acting as a tenant representative or liaison to facilitate the program with management. In addition, the programs should be designed to create positive outcomes in such areas as (but not limited to) tenant relationships, community, social or environmental~~

~~awareness. Applicants are encouraged to develop programs that network with local corporations or social service agencies to meet these initiatives.~~

~~The maximum points number of awarded for all Level 3 or combination of Level 1, 2 & 3 services is 6 points.~~

~~4) Level 4 – This category is reserved for supportive services offered by applicants building Permanent Supportive Housing developments. These types of services must be in line with or match the philosophy of the Housing First description. For further guidance, refer to the Supportive Services Plan under 'Level 4 Required Documentation.'~~

~~The maximum number of points awarded for Level 4 services is 8 points.~~

~~**Required Documentation:** For Levels 1, 2 and/or 3~~

~~Applicants must submit a Tenant Investment Program plan in order to qualify for competitive points. To receive points in this category, the development will provide evidence that the appropriate tenant opportunities will be offered for the entire resident population for the duration of the compliance period. The tenant investment program must include the following elements in the order listed:~~

~~i. Population Served – Describe the population to be served.~~

~~ii. Program Coordinator- Describe the role of the TIPS Coordinator. Include a copy of the Coordinator's resume or if the coordinator is not known at application, a copy of the coordinator's job description. List the experience in providing tenant investments, including trainings that the coordinator may have attended. Identify the budget line item for the tenant investment coordinator's salary or document in-kind assistance with commitment letters per section VI. Detail the number of hours that the coordinator will spend at the site and also working with the residents from the project.~~

~~iii. Annual Budget – List in detail the estimated annual cost of providing services, including the coordinator's salary and equipment.~~

~~iv. Description of Program(s) – Provide in depth descriptions of all TIPSs and explain how they will be marketed to the tenants, at what time will TIPs be made available (i.e., morning or evening), and the location of the programs/services offered (i.e., on-site or off-site). Include a description of any fees being charged.~~

~~Preferences:~~

~~a) Services on-site or within a walking proximity. Consideration will be given to applicants that provide a majority of services off-site due to special circumstances.~~

~~b) Unique marketing techniques for TIPs.~~

v. Commitment Letters – Attach signed letters from agencies/organizations that have committed to provide or refer tenant investments opportunities to residents. Also, where the tenant investments have been contracted, provide a signed letter from the agency/organization providing contracted tenant investment coordination. Commitment letters should contain a brief description and history of the agency/organization, a description of the tenant incentives to be provided, and details of any funding to be provided to the project for TIPs. Commitment letters must be provided for all agencies/organizations referred to in Section IV.

Required Documentation: For Level 4

The Supportive Service Plan should focus on the following types of services with the goal of helping the tenant remain housed: tenant stabilization including assisting tenants to care for their apartment, providing support for activities of daily living, and building positive relationships with neighbors, landlord, etc.; building support systems to assist tenants to re-engage with the local community; obtaining basic needs such as food, clothing, transportation; providing on-going support to obtain benefits, linkage with services and to ensure accessing all resources needed to maintain housing; and, employment related services. Other essential services may include mental health services such as Assertive Community Treatment (ACT), counseling, therapy, medications, and medication management; substance abuse services including outpatient treatment, self-help options, and counseling; access or referrals to appropriate medical care; legal services related to civil arrears, family law and uncollected benefits; veterans assistance; domestic violence counseling; school related services; childcare and other related services.

The Supportive Service Plan must include the following elements in the order listed:

i. Population Served – Describe the population to be served, including the level of substantial barriers that exist for the Development's tenants. Indicate the number of units to be set-aside for this population.

ii. Case Manager(s) – Describe the role of the case manager(s). Include a copy of each case manager's resume. If the case manager is not known at application, include a copy of the case manager's job description. List the experience in providing case management in supportive services, including any related education and trainings. Identify the budget line item for the case manager(s) salary or document in-kind assistance with commitment letters as described in section VI. Provide the number of hours that the case manager will dedicate on-site working with the residents; include any duties that are not client-related and assigned to the case manager.

iii. Annual Budget – List in detail the estimated annual cost of providing the services, including the service operating expenses, salaries for case management, and any equipment to be utilized.

iv. Description of Program(s) – Provide specific descriptions of the programs/services and explain how they will be made available to residents. Include the determined level of substantial services to be provided, ensuring that that it addresses all tenants' substantial barriers to maintain housing, as identified in section I. Identify whether services will be offered on-site or at another location; if off-site, provide the location.

v. Annual Performance Measurements – Provide a detailed plan for measuring program goals and outcomes, including the methods used to market the programs, as well as collect tenant attendance, participation and feedback. The plan should also identify any barriers to success or better participation of the program and any changes made to the program to eliminate identified barriers. IHCDA will review the annual performance measurements during the on-site audits conducted throughout the compliance period.

vi. Commitment Letters – Attach signed letters of support, Linkage Agreements and Memorandums of Understanding (MOUs) from agencies/organizations that have committed to provide or refer tenant investment opportunities to residents. Common PSH partnering agencies include providers involved in the local Continuum of Care which would include local agencies currently serving individuals and families who are homeless, the local community mental health center and addiction providers, and local federally qualified health centers. Commitment letters should contain, at a minimum, a brief description and history of the agency/organization, a description of the agreed services to be provided and the length of time for which they will be provided, as well as details of any program funding to be provided. Commitment letters must be provided for all agencies/organizations referred to in Section IV.

a) Memorandums of Understanding (MOUs): The MOUs can be used as a mechanism to initially describe and develop partnerships among the developer, service provider and property manager in cases where they are working together on a project. Although they may be preliminary at the time of application, they should include initial ideas for roles and responsibilities of each of the partners with a commitment that they will be further developed.

b) Linkage Agreements: Linkage agreements are used to describe what services are committed by service partners when tenants are referred to them. Again, these may be preliminary, but they should have a basic

~~description of the services, number of hours and staffing with a commitment to be further developed.~~

e. Tenant Investment Plan

Points in this category will be awarded based on the overall Tenant Investment Plan in regards to each level listed. The TIP plan with the most programs that address the needs of the development's tenants will receive highest point consideration. Programs with a combination of Level 1, 2 and/or 3 are eligible to receive the maximum of six (6) points. Permanent Supportive Housing is the only level eligible to receive a maximum of eight (8) points.

TIP Level Descriptions

1) Level 1: Programs/Classes – This category will provide a good or service as a tenant incentive and require ongoing tenant participation and/or program management. Incentives may include discounts, referrals or offering exceptional educational resources, such as classes, to tenants in the community. Applicants are encouraged to network with local businesses and/or service agencies to offer unique but valuable incentives to current and/or future tenants. (*Please refer to Exhibit B for Level 1 services)*

Points awarded for Level 1 range from 1 – 3 points

2) Level 2: Behavioral/Health Services – This category may target services for specific tenants to offer treatment, prevention, or assistance depending on the classification of special needs. *(Please refer to Exhibit B for Level 2 services)*

Points awarded for Level 2 range from 1 – 4 points

3) Level 3: Community Enhancement to encourage Aging in Place – This category requires both extensive tenant participation as well as management maintenance. TIPs should be creatively designed to operate as a tenant/management partnership, such as having specific tenants acting as a tenant representative or liaison to facilitate the program with management. In addition, the programs should be designed to create positive outcomes in such areas as (but not limited to) tenant relationships, community, social or environmental awareness. *(Please refer to Exhibit B for Level 3 services)*

Points awarded for Level 3 range from 1 - 6 points

4) Level 4: Permanent Supportive Housing - This category is reserved for supportive services offered by applicants building Permanent Supportive Housing developments. These types of services must be in line with or match the philosophy of the Housing First description.

Maximum of eight (8) points will be awarded for Level 4 services

REQUIRED DOCUMENTATION: FOR LEVELS 1, 2, 3, & 4: 1) *Applicants must submit a Tenant Investment Summary in order to qualify for competitive points*. As part of receiving points in this category, the owner will provide evidence that the appropriate tenant opportunities will be offered for the entire resident population for the duration of the compliance period. The TIP Summary must include the following elements: 1) Tenant Investment Plan checklist; 2) A brief TIP narrative identifying an annual budget, the role of the Tenant Investment Coordinator, and how these services will meet the needs of the tenants; 3) Form (xxx) must be filled out for ***each*** Service Provider/Agent/Organization and signed by all parties in agreement; 4) a Tenant Investment Plan Exhibit A must be attached to ***each*** of the aforementioned agreements listed in #3; 5) and Exhibit B listing any "Other" services being offered that may not be listed.

Maximum Number of Points	**8**

f. Technical Correction Period

During the funding round and after IHCDA's review of Threshold for each Application, IHCDA will award four (4) points to those Developments that pass Threshold without any technical errors or incomplete information. Applications that contain a technical correction will be charged a $150 resubmission fee for each technical correction. Applications reviewed during the Threshold period and found to have five (5) or more Technical Corrections will be returned and withdrawn from the funding round.

Applications that do not pass Threshold because of four (4) or less technical errors or incomplete information will be provided an opportunity to submit additional information through the following process, although those Applicants will not receive points in this category:

1) IHCDA will contact the Applicant and specify the items where the Application failed Threshold review;

2) The Applicant will be allowed no more than fourteen (14) calendar days to provide additional information to IHCDA for the Application to pass Threshold;

3) Information may be faxed to IHCDA, but an original must be mailed as well within the fourteen (14) day correction period;

4) Once information has been received, IHCDA will NOT respond with the status of the application or the additional information other than to verify its receipt;

5) Clarification of documentation that has already been provided in the Application will still be eligible for points in this category as long as no additional documentation is required for the Application to pass Threshold, in the Authority's sole discretion;

6) Applications that do not pass Threshold because of Market Study issues or point scoring, will not be eligible to utilize the Technical Correction Period. Any documentation that is provided during the technical correction period that is also applicable to a related scoring item will be reviewed only for Threshold correction and will not be utilized during the scoring review process for the Application;

7) No Applicant will be allowed to submit additional documentation during the Technical Correction Period to score points in any point scoring category;

8) IHCDA, in its sole discretion, will determine if the additional documentation submitted during the Technical Correction Period is adequate for the Application to pass Threshold. After the 14 calendar day correction period, no additional documentation will be requested or accepted from the Applicant.

9) The Correction Period will apply to those Applications applying for HOME and Development Fund. However, they will not be subject to a four (4) point reduction if the technical correction is associated with a requirement indentified in Schedule E or Schedule K.

Maximum Number of Points	**4**

g. Lack of Progress on Issuance of Form 8609

If any Applicant, Owner, and/or Developer has received an RHTC award for a different Development(s) in a previous round and this Development ("Delayed Development") was not issued IRS Form 8609 within 36 months of the date of the RHTC Carryover, any application(s) submitted during the round will be assessed a five (5) point penalty (to be deducted from the total score), UNLESS the Applicant, Owner, and/or Developer has since received Form 8609 for the Delayed Development AND received Form 8609 on at least one (1) OTHER Development within 36 months of its date of Carryover subsequent to the Application Date of the Delayed Development.

Any Applicant, Owner, and/or Developer representing a Delayed Development will continue to receive the penalty on each subsequent round in which they have an application(s) submitted until they have fulfilled the requirements above.

H. Miscellaneous

For ~~2009-2010~~2011, the Authority will make all reasonable attempts to reserve all of its Rental Housing Tax Credits in one (1) scheduled Application and Reservation cycle. However, a wait list will be formed from those applications that did not receive a preliminary reservation of credits in the main round. If RHTCs become available the Authority, in its sole and absolute discretion, may make a reservation announcement for applications on the wait list being awarded a preliminary reservation of Rental Housing Tax Credits according to ranking of the wait list and funds available.

The Authority in its sole discretion may use a portion of the 10% IHCDA Set-Aside to hold an independent reservation round outside of the annual round. A "Request for Proposal" (RFP) will be released notifying the public, if the Authority decides to exercise its discretion to hold a reservation round outside of the annual rounds identified within the ~~2009-2010~~2011 Qualified Allocation Plan.

1. Application Dates

Dates for the rounds are as follows:

2011 Annual Rental Housing Tax Credit Round~~s~~	
Application Deadlines	Anticipated Reservation Dates
November 1, 2010~~January 16, 2009~~	February 24, 2011~~April 23, 2009~~
~~December 18, 2009~~	~~March 25, 2010~~

Annual Private Activity Bond Rounds	
Application Deadlines	Anticipated Reservation Dates
~~April 10, 2009~~March 14, 2011 until June 6, 2011	~~June 25, 2009~~60 days from the Application submission
~~April 2, 2010~~	~~June 24, 2010~~

a. Housing First Set-Aside:

Eligible applicants who compete under the Housing First Set-Aside and complete the Indiana Supportive Housing Institute may apply and receive a reservation for tax credits outside of the published annual rental housing tax credit rounds.

~~b. Preservation Rolling Round Set-Aside:~~

~~Eligible applicants that qualify under the Preservation Set-Aside criteria established in Section E.4, will be eligible to submit an application during the following rolling round dates:~~

~~Preservation Rolling Round~~	~~Open Date~~	~~Close Date~~
~~2009 Application Window~~	~~May 1, 2009~~	~~*August 3, 2009~~
~~2010 Application Window~~	~~April 2, 2010~~	~~*August 2, 2010~~

~~Eligible Preservation Rolling Round applicants must score at or above the lowest scoring Preservation Development which received a reservation within the current year's competitive round. For example, if the lowest scoring 2009A-C Preservation Development received a final score of 125 points, then a Preservation Rolling Round applicant must score at or above 125 points.~~

~~Reservation awards will be made on a first come, first serve basis. If more than one application is received on the same day and there are insufficient credits to meet the request of all applicants, only the highest scoring applicant will receive a reservation of credits.~~

~~The rolling round will remaining open based on the availability of credits. *If credits become unavailable, IHCDA will notify the public and the round will be closed prior to the published deadline date. Applicants who submit an application while the round is open and do not receive a reservation of credits may elect to roll their application into the following year's competitive round without being assessed a second application fee. Applications that are rolled into the following year's round will be prohibited from making any revisions or alterations to their application. All documentation submitted at the time of application must continue to be issued/dated within 12 months prior to the~~

~~following rounds Application deadline date to remain eligible in the following year's round.~~

~~Upon notification to the public, IHCDA may further limit applications to only those counties identified under The Emergency Economic Stabilization Act of 2008.~~

~~The actual reservation date will correspond to the respective monthly meeting date of IHCDA's Board of Directors of the Authority.~~

~~Applications for RHTCs must be received and date stamped by the Authority no later than 5:00 p.m. local time on or before the Application deadline date noted above. Applications received after such time and incomplete Applications will not be considered. The Authority will not provide verbal reports of the current status of a Development during the review process.~~

2. Fees

All fees should be made payable to IHCDA. If a check is returned for insufficient funds, the application will be immediately denied.

a. All Applicants must submit a non-refundable Application fee with each Application as a condition of having the Development considered. Application fees for ~~2009-2010~~2011 are as follows:

Fee Amount	Number of Units
$1,~~0~~500	Developments with 35 or fewer units
$~~1~~2,~~5~~000	Development with more than 35 units
$~~1~~2,500	All Development tax exempt financing

b. Conditional Commitment Reservation Fee

Applicants receiving a reservation of RHTCs for a proposed Development from the Authority must pay a non-refundable reservation fee to the Authority within thirty (30) days after the date of a Conditional Commitment. This fee is payable in addition to the Application fee and equals six and half percent (6.5%) of the annual amount of RHTCs for the Development. For example, if a Development is to receive $10,000 of RHTCs annually, then the Applicant must pay a reservation fee of $650.

c. Additional Fee(s)

The Authority will assess the Development and/or Applicant the reasonable costs (including any costs and fees it may incur) for additional or extraordinary services requested by or required of any Applicant, Owner or Development. All such assessments must be paid prior to any final allocation of RHTCs (i.e. the issuance of IRS Form 8609) or before any subsequent Application will be considered, whichever should first occur.

The following is a fee schedule for typical services, however, this schedule is not all inclusive:

Fee Amount	Description of Service
$150	Resubmission fee for each technical correction identified in the initial application.
$500	Request for changes in the characteristics of the Development, such as unit type, distribution, or targeting, or for changes to scoring criteria.
$500	Request a waiver for each Additional Threshold Requirement of the Authority. This fee must be paid at the time of request.
$500	Request an extension to any deadline.
$1,000	Request for issuance of amended IRS Form(s) 8609 due to an error in the submission of final Allocation documentation
	Request for an amended Carryover Allocation resulting from a change in the building identification numbers or other medication (i.e. legal description errors, etc.).
$1,500	Request for changes in the ownership structure; or for request for extensions for meeting special conditions set forth in the Reservation/Conditional Commitment Letter.
	Request to modify any IHCDA legal documents located in the QAP that require involvement of IHCDA counsel.

From time to time IHCDA may set deadlines for particular Developments to submit additional documentation during the IRS Form 8609 review process. A written warning will be given to the Applicant, Owner, and/or Developer once a deadline is missed with

no response. However, a $10 per day fee will be assessed to the Applicant, Owner, and/or Developer for any additional deadlines missed during the IRS Form 8609 review process for that Development.

The fee for these services should be included with the request and must be received before IHCDA will proceed with its review/process.

3. Use of forms

The Authority requires the use of the forms included in the Forms section of this QAP. Any deviations from or changes to the language will revoke the Rental Housing Finance application and/or award. Owners who have received an allocation in prior years must use the ~~most recent forms, irrespective of the year the allocation was received~~Final Application Form.

~~NOTE: Starting with allocations made in 2004, the Owner may provide the Final Application only on the forms from the year in which the Development was funded or the most current version. However, IHCDA reserves the right to require an Applicant to submit the Final Application on the most current version if information in the submission is missing or is not accurate.~~

4. Conditional Commitments

If an Applicant receives a reservation of Rental Housing Financing, the reservation is subject to the following conditions, which must be timely completed and satisfied:

a. Payment to the Authority, in good funds, of the required nonrefundable reservation fee of 6.5% of the annual Credit amount reserved for the Development within 30 business days from the date of the Conditional Commitment.

b. Pursuant to the Application, the items listed below must be timely submitted to and approved by the Authority within one hundred fifty (150) days after the letter notifying the Owner of conditional reservation:

1) An ALTA (or ILTA) survey;

2) Building Permit or Documentation of Status Approval;

3) Site Plan Approval by Locality;

4) Construction Contract;

5) Documentation as to the Percent Completion of Plans and Specifications;

6) State Approval of Plans & Specifications;

7) Federal I.D. Number of Ownership Entity;

8) Development Agreement with Fee Structure;

9) IHCDA name and logo prominently displayed on funding source signage;

10) Monthly Development updates will be required as a condition of the Conditional Commitment;

11) The Owner must demonstrate that an adequate amount of funds which, together with its financing, will be sufficient to complete the construction and/or rehabilitation of the Development.

~~11)~~a. Equity letter of interest submitted by an Applicant in support of the Applicant's application must contain a representation and acknowledgment from the equity investor that: (i) such investor has reviewed the same application and market study submitted or to be submitted by the Applicant to the Authority in support of the Rental Housing Financing for the Development to which such letter of interest relates; (ii) such investor expressly acknowledges that the Development will be subject specifically to the "40-60" or "20-50" set-aside, and extended use restriction elections made by the Applicant; (iii) the investor has reviewed the Minimum Underwriting Criteria set forth in this Allocation Plan; (iv) any other special use restriction elections made by the Applicant, which give rise to additional points in this Allocation Plan; and (v) the estimated dollar amount of equity to be provided to the Development.

12) The Owner must demonstrate that the Development, Development Owner and all other members of the Development Team (including, without limitation, the construction contractor and management agent) are and shall continue to be in compliance with all federal, state and local laws, regulations, rules and other requirements applicable to the Development, Development Owner and the respective parties comprising the Development Team.

i. Environmental Phase I completed by an experienced and credible disinterested third party hired by the Applicant. The Environmental Phase I must address wetlands and flood plains. Wetland Delineation and USGS maps are required to document the existence of wetlands areas on the site, and must be included in the Environmental Phase I. If there are no wetlands areas on the site, a wetlands delineation is not required but in all cases USGS maps must be included in the Environmental Phase I AND

ii. A FEMA flood plain map with the proposed Development site identified must be submitted and placed in Tab K. If a flood plain and/or wetlands are located anywhere on the site, the site plan must show where the buildings, commons areas, and any land improvements will be located in relation to the flood plain and/or wetlands.

100-year Flood Plains: Applications that propose the placement of buildings in a 100-year flood plain must submit the following documentation:

a) All areas of the 100-year flood plain must be documented by the FEMA map for the areas in which the site is located. The proposed site for development must be located on that map.

b) A qualified Civil Engineer must document mitigation for impacts to existing floodplains planned for the Development. A resume for the Civil Engineer must be submitted with this documentation.

c) A FEMA Conditional Letter of reclassification must be obtained for the property that shows that the property is eligible for reclassification out of the flood plain area.

d) A financing plan and costs for the site work involved in the reclassification.

For all properties that receive an award of RHTCs and are located in a 100-year flood plain at the time of initial application, a final letter of reclassification from FEMA along with an elevation certification must be provided to IHCDA at the completion of the Development.

If wetlands or hazardous substances exist on the site, the Applicant must submit: 1) evidence that the wetlands or hazardous substances can be mitigated; and 2) a plan, that includes financing, of how the Applicant anticipates to mitigate the wetlands or hazardous substances.

Other documentation as required by the Authority.

5. Semi-Annual Progress Reports

All Developments must submit a Semi-Annual Progress Report to IHCDA on or before June 1st and December 31st each year until IRS Form 8609(s) have been issued for the Development. The Semi-Annual Progress Reports are filed online at: https://ihcdaonline.com/

6. Changes in Ownership

IHCDA Board of Directors must approve any change in ownership or transfer request if made prior to the – issuance of IRS Form 8609 for any Development that has received an allocation of Rental Housing Financing and/or Bonds.

Failure to notify the Authority of changes in ownership for RHTCs and/or Bonds after the issuance of IRS Form 8609 could result in the allocation being rescinded and/or possible non-compliance issues.

See Schedule B for IHCDA's Ownership Change procedures.

7. Development and/or Applicant/Owner Modifications

   Modifications to the Development that affect Threshold Requirements, and/or scoring items in the Allocation Plan in any way without prior written approval from the Authority may result in a reduction and/or rescission of the Authority funding (including private activity tax-exempt bonds).

8. Applying for RHTCs with other Rental Housing Financing

   In the event that an Application is competitive for RHTCs but either (1) the Application fails the HOME threshold review; or (2) HOME funds are not available, IHCDA will allow the Applicant to ~~submit additional information to~~ identify other means of filling the Development's financing gap. ~~Upon timely receipt of satisfactory information, these applications will continue to be allowed to compete for an allocation of RHTCs.~~

9. Carryover Allocations

   If the Applicant intends to request a carry forward allocation for ~~2009-2010~~2011 RHTCs, all necessary requirements of the Carryover election must be met and the documentation submitted to the Authority ~~-~~no later than July 5, 2011.~~no later than November 13, 2009 for those awarded RHTCs in 2009 and November 12, 2010 for those awarded RHTCs in 2010~~.

   The Applicant must certify that the reasonable expected basis in the Development is more than 10% as of the later of the date, which is 6 months after the date the allocation was made or the close of the calendar year in which the allocation is made. The anticipated reasonably expected basis in the Development, which is more than 10%, is required to be expended at the time the carryover election is made. See Carryover Agreement and Ten Percent (10% Letter), Form D.

   The Owner may irrevocably elect to enter into a lock-in agreement, pursuant to Section 42(b)(2)(A)(ii) of the Code, to fix the applicable credit percentage for the Development as the percentage is prescribed by the Secretary of the Treasury for a month prior to the month the Development is placed-in-service. A lock-in Agreement (Form F) must be submitted to the Authority on or before the 25th day of the month in which it is desired to lock in the rate for that month. The Authority will execute complete, accurate and correct Lock-in Agreements no later than the 5th day of the following month. In the event that the Owner submits a Lock-In Agreement on or before 25th day of the month which is incorrect, incomplete or inaccurate and which requires a modification, supplementation or resubmission of the Lock-In Agreement, the Authority may, in its sole and absolute discretion, elect to not enter into such Lock-In Agreement prior to the 5th day of the following month. In such case, however, the Authority will notify the Owner of such decision and the Owner will be permitted to withdraw such Lock-In Agreement.

The Authority requires the use of the Carryover and 10% Cost Certification forms provided with this QAP. Any deviations from or changes to the language will revoke the Rental Housing Finance Application and/or allocation.

10. Issuance of IRS Form 8609 ("8609")

IRS Form 8609(s) will only be issued once. However, in exceptional circumstances the Authority may, in its sole discretion and upon receipt of additional fees (as determined by the Authority) elect to review additional circumstances that may allow for the issuance of amended IRS Form 8609(s). All documents requested shall be submitted to the Authority in a timely manner as defined by the Authority.

The entire Final Application and Final Cost Certification package to request IRS Form 8609 in a form acceptable to the Authority must be submitted as soon as possible after the Development has been placed in service but no later than six months following the issuance of the Certificate of Occupancy/Substantial Completion for the Development and/or the placed in service date of the last building in the Development. The Applicant may request an extension of this deadline, which will be reviewed by IHCDA on a case-by-case basis. If this deadline is missed, one warning will be given for the Development. After the first warning, a fee of $10 per day will be assessed for any additional missed deadlines associated with the Development during the IRS Form 8609 process.

Within one year prior to a request for and issuance of IRS Form 8609 the property management staff assigned to the Development and the owner of the Development must receive an IHCDA Rental Housing Tax Credit Compliance Seminar completion certificate. The Management Agreement between the owner and the management company must be for a minimum of two (2) years effective at the "placed in service date", as evidenced in the management agreement. Upon notification to the Authority, a substitution of management agent prior to the expiration of the two (2) year period is permitted if the management agent is guilty of material nonperformance of its duties. However, if replacement of the management agent is warranted and the Development received points for Minority Owner Business Enterprise (MBE) or Woman Owned Business Enterprise (WBE), the new management must also satisfy these criteria.

The owner must submit at a minimum the following documentation to the Authority within six (6) months from the time the Development is placed in service:

a. Pre-8609 Physical Inspection Request Form – this form should be submitted as soon as possible after the entire Development is placed in service, even if the other documents for the 8609 package are not available. IHCDA will then conduct a physical inspection of the property. All items from the physical inspection must be addressed before IHCDA will issue IRS Form 8609; See Form H.

b. Completed Final Rental Housing Finance Application and Cost Certification-(Original and Electronic PDF Format)(Starting with allocations made in 2004, the Owner may provide the Final Application only on the forms from the year in which the Development was funded or the most current version. However, IHCDA reserves the right to require an Applicant to submit the Final Application on the most current version if information in the submission is missing or is not accurate.);

c. Certificate(s) of Occupancy for each building in the Development, or Certificate(s) of Substantial Completion for all rehabilitation Developments (Electronic PDF Format);

d. All permanent (closing) financing documents (Electronic PDF Format);

e. All construction financing documents (Electronic PDF Format);

f. Current partnership agreement or limited liability company operating agreement, including all exhibits and schedules executed by the limited and general partners or managing member (Electronic PDF Format);

g. Original executed recorded Declaration of Extended Low Income Housing Commitment, executed by owner, lender and the Authority. Before this document is recorded, IHCDA must review and execute it. This process may be done before the Final Application is submitted and the IRS Form 8609 review process has begun;

h. IHCDA Rental Housing Tax Credit Compliance Seminar Certificate. Owner and management agent must have attended within the last year. An Owner that has previously received an IRS Form 8609 for a completed Indiana Development will not be required to attend this Seminar (Electronic PDF Format);

i. Executed Development Agreement (Electronic PDF Format);

j. Copy of deed showing partnership as owner (Electronic PDF Format);

k. Executed Management Agreement (Electronic PDF Format);

l. Photographs of the completed Development (exterior and interior);

m. Documentation of MBE/WBE participants. If participants have changed since initial application, copy of the signed contract/agreement and a copy of the entity's certification from the Indiana Department of Administration must be submitted (Electronic PDF Format);

n. Owner affidavit of services being provided to the Development along with the term for services provided and cost to the tenants; and

o. Any other documents that the Authority may require in determining the final amount of RHTCs to be allocated to the Development and the Development's conformance with the requirements of Section 42 (Electronic PDF Format).

p. All documents submitted in an electronic PDF format must be on a CD-ROM.

The Authority anticipates mailing out IRS Form 8609(s) up to ninety (90) working days after the requested materials have been submitted to the Authority. Incomplete or insufficient documentation will result in a delay of the 8609 issuance.

11. Dissemination of Information

Any Applications of Developments which received an allocation of Rental Housing Tax Credits or Private Activity Tax Exempt Bonds, are available for dissemination and publication to the general public.

To request a copy of a funded application for Rental Housing Tax Credits or Private Activity Tax Exempt Bonds, you must:

a. Submit your request in writing with a postage paid envelope for $2.21 for each application request or your account number for FedEx or Airborne Express.

b. The name(s) and location(s) (City) of each Development and the year the Development was funded.

c. Include a check made payable to the Indiana Housing and Community Development Authority in the amount of $ 4.60 (.10 per page) for each application. (If requesting multiple applications, multiply this amount times the number of applications you are requesting), to cover appropriate copying costs.

d. Send your request to the IHCDA – ATTN: Multi-Family Coordinator, 30 South Meridian St., Suite 1000, Indianapolis, IN 46204.

No request will be processed without the above information. Please allow a minimum of ten (10) days for processing for each request.

12. If the potential Development has an open HOME, CDBG, or Development Fund award, the Applicant may request funding through the QAP; however, IHCDA must approve this action prior to the Application deadline. Requests will be reviewed and underwritten on a case-by-case basis. If the Application is re-underwritten, the Applicant will be subject to an underwriting fee. Applicants may be required to de-obligate, repay, or reduce the amount of their current award prior to the Application deadline. Applicants must request approval at least thirty (30) days prior to the application deadline.

13. Exchange of Credits

An Applicant may return previously allocated credits to the Authority in exchange for an allocation 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 allocated as a result of either:

a. Litigation brought by parties other than the Applicant and that the Applicant could not have anticipated;

b. Catastrophic events that the Applicant could not reasonably have anticipated or controlled.

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

1) Due diligence performed by the Applicant in attempting to meet the placed-in-service deadline;

2) The specific circumstances causing the delay that jeopardizes the Applicant's compliance with the placed-in-service deadline;

3) The attempted remedial measures taken by the Applicant in order to mitigate the delay;

4) Any other information that may be requested by the Authority.

No more than one (1) exchange of credits may be approved with respect to a given Development. To request an exchange of credits an Applicant must submit to the Authority, no later than November 1st of the year in which the Development is required to be placed in service (based on the original allocation), a letter setting forth the reason justifying the exchange and including the following:

a) An Applicant Certification for Re-application;

b) The application fee set forth in Section H.2(a);

c) Supporting documentation of the Development's continued eligibility under the requirements of the QAP as in effect at the time of the original allocation; and

d) Supporting documentation of the development's continued financial feasibility.

Developments may apply for additional credits if necessary for the financial feasibility of the Development. Additional credits will be allocated based on the availability of credits after

October 1st. Developments requesting additional credits must submit their exchange of credits application prior to September 1st. The availability of credits will be determined after all tax credit applications on the IHCDA waiting list have either been reserved or denied credits.

In order to complete the exchange, the allocation must be returned under Section 42 Treasury Regulation 1.42-14 and a new carryover allocation must be completed for the allocation.