

Application Process

PROJECT APPLICATION DEADLINES

There are no application deadlines. Applications will be accepted when applicants meet the minimum requirements set forth in the Strategic Investment Priorities section of the SIP.

PROJECT FUNDING LIMITS

There are no established funding limits. Award size ranges from a few thousand to several million dollars, depending on the size of the organization and the scope of the project. IHEDA reviews the amount needed for each specific project based on scope of work, costs and other factors. While there is no cap on a total project request, applicants, when applicable, must adhere to the most current 221(d)3 subsidy limits appropriate for income targets and unit size.¹ IHEDA will only invest an amount it deems necessary to ensure the financial feasibility of a project.

GEOGRAPHIC AREAS FOR FUNDING

IHEDA only funds projects within Indiana. The majority of our awards go to organizations or local units of government located in small cities, towns and rural communities. Except for permanent supportive housing projects, activities located within a participating jurisdiction² or entitlement community³ must demonstrate equal and comparable financing from the local unit of government to be considered for an IHEDA investment.

WHAT WE DO NOT FUND

IHEDA does not fund:

- requests from individuals, political, social, or fraternal organizations;
- endowments, special events, arts, or international projects;
- scholarships requested by individuals;

¹ http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/rentcoophsg221d3n4

² <http://portal.hud.gov/hudportal/HUD?src=/states/indiana/community/home>

³ <http://www.hud.gov/local/in/community/cdbg/#cities>

- institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, or gender identity in policy or in practice;
- projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- medical research or medical profit-making enterprises.

PROJECT APPLICATION SUBMISSION GUIDELINES

Part 1: Strategic, Sponsor, and Project Assessment

1. After reviewing the funding priorities, if you feel there is a **strong match** between our priorities and your request, we encourage you to review the project application, contact your local Real Estate Production Analyst with questions, and submit Part 1: Strategic, Sponsor, and Project Assessment, for funding consideration.
 2. Click <http://www.in.gov/ihcda/3119.htm> to access application forms and instructions.
 3. The forms are in an Excel spreadsheet format. Response text boxes have been formatted to capture all text although not visible in all cases. IHCDA staff will reformat these boxes for reviewing purposes.
 4. *Applicants should submit photos of the building, home or land on which the project development will take place. These photos should be formatted as separate email attachments to the Part 1 Strategic, Sponsor, and Project Assessment application, and should be formatted to open using the 2007 Windows XP operating system.*
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1. IHCDA prefers that Part 1 applications and supporting material be submitted via email to SIP@ihcda.in.gov. However, due to the format and amount of supporting information requested, materials may also be submitted electronically on a compact disc or flash drive.
 5. Once a Part 1 application has been received by IHCDA, it may take up to 30 days to complete our review. As part of the Part 2 review, IHCDA staff will review each application with the Real Estate Production Department and the IHCDA Allocation Review Committee (ARC). Staff or the ARC may then request more information or may request that the applicant come to present their project request to the committee.

6. Pending the ARC's recommendation, IHCDa will present a funding proposal to the applicant, which will include what source of IHCDa resources has been identified by IHCDa staff, as a possible funding solution. At this point, the applicant will be notified to submit a Part 2 SIP application, specific to the source of IHCDa resources identified.

Part 2: Final Application

2. Applicants invited to proceed to Part 2 of the Strategic Investment Process will have **60 days** to submit a finalized application that is specific to an IHCDa source of funding (HOME, CDBG, CDBG-D, or Development Fund). Part 2 application forms that are received after the date specified (60 days from the date of your letter to proceed to Part 2), will be assessed a late fee of \$250.
3. Prior to the applicant's submission of the Part 2 application, the applicant should contact their assigned Real Estate Production Analyst to accept the proposed investment terms or negotiate as needed.
4. IHCDa may take up to 45 days to complete our Part 2 review. As part of the Part 2 review, IHCDa staff will review each application with the ARC. Staff or the ARC may then request more information or may request that the applicant come to present their project request to the committee.
5. Pending the ARC's recommendation, IHCDa will present a funding proposal to the applicant, which will constitute Part 3 of the Strategic Investment process.
6. IHCDa prefers that Part 2 applications and supporting material be submitted via email to SIP@ihcda.in.gov. However, due to the format and amount of supporting information requested, materials may be submitted may also be submitted electronic ally on a compact disc or flash drive.
7. Part of the intent of the strategic funding process is to help determine the optimal funding structure for the project, so the final financing structure of the project may differ from what is set forth in the application.

PROJECT APPLICATION EVALUATION PROCESS

All applications will have a comprehensive review by an analyst, underwriter, compliance monitor and member of design and construction review team. At a minimum, each project application will be reviewed and evaluated on criteria listed below.

Part 1: Strategic, Sponsor and Project Assessment

a. Strategic Assessment:

- The development concept is assessed for its alignment with the strategic priorities of IHCD: Ending Homelessness, Aging in Place, High Performance Building, and Comprehensive Development.
- IHCD follows up with sponsor to clarify or secure supplemental information.

b. Sponsor Assessment

- The sponsor and its development team are assessed for their qualifications and experience in the proposed activity, their performance on past/current IHCD awards/projects, and their capacity to take on this additional work
- The sponsor is assessed for its financial strength based on previous three audits and YTD financials.

c. Project Assessment

- The proposed activity is assessed for its demand and impact on the local market and the intended beneficiaries (e.g., market survey and/or pre-qualified waiting list).
- All revenue and cost assumptions are tested and verified in the construction and operating proformas.
- The sponsor is assessed on its readiness to proceed with the proposed activity including site control, architectural schematics, construction estimates, and other funding commitments.
- At staff discretion/recommendation, IHCD conducts a site visit or the applicant makes formal presentation. IHCD follows up with the sponsor to clarify or secure supplemental information.

- There will be a design and construction review assessment which may include a review of plans and specification and/or a physical needs assessment inspection.

Part 2: Investment Negotiation and Structuring

- An IHEDA Review Team develops and proposes an investment strategy, which includes the funding source and the award type (grant or loan) IHEDA develops an investment strategy based on highest and best use of available resources and an acceptable deal structure. IHEDA provides an investment summary to the applicant.
- The applicant accepts or proposes alternative investment terms as needed.
- IHEDA and the applicant negotiate and adjust the investment amount and terms as needed.

Part 3: Final Application

- IHEDA staff reviews the potential and known regulatory requirements based on the proposed activity, its scope and the identified funding source (e.g., Davis-Bacon, URA). The development is assessed on submission of Environmental Review Record and initiation of Section 106 Review process. For additional information on state and federal rules and regulations please refer to IHEDA's SIP Award Implementation Manual.
- Applicants utilizing additional federal resources are encouraged to begin the process of completing federal cross-cutting requirements.
- Applicant must submit necessary information and forms specific to the proposed activity and recommended funding source (such as wage determinations, relocation costs, Section 106 determination, Environmental Review Records, etc.).
- IHEDA will confirm the process, conditions and arrangements for disbursement of funds to the applicant.
- IHEDA will present the investment to its Board of Directors for approval. The IHEDA Board of Directors generally meets at the fourth Thursday of each month.

Part 4: Investment Execution and Disbursement

- IHEDA prepares award/loan documents, including a “closing” or monitoring checklist.
- The applicant prepares all necessary information and forms in accordance with appropriate checklist (Certifications, Title Insurance, etc.).
- IHEDA executes award documents.
- IHEDA schedules and completes closing or award execution with the sponsor.
- Applicant records all appropriate documents (lien, covenants, deed restriction, income restriction, mortgages) in appropriate venue, if applicable.
- IHEDA schedules and provides compliance training with the sponsor as necessary. Applicants may also request individual training.
- Applicant provides necessary set-up forms in accordance with IHEDA Funds Management policy.
- IHEDA provides the initial disbursement.
- Subject to fulfillment of precedents, IHEDA provides construction draws in accord with draw schedule.
- IHEDA provides the final disbursement and signs off on final inspection of project.