State of Indiana
2014 Action Plan

For allocation of
CDBG, HOME, ESG and HOPWA

FINAL REPORT

Draft Report

April 10, 2013

State of Indiana 2014 Action Plan

Prepared for

State of Indiana
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2014 Annual Action Plan

CDBG, HOME, ESG, HOPWA

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

Each year the State of Indiana is eligible to receive grant funds from the U.S. Department of Housing and Urban Development (HUD) to help address housing and community development needs statewide. These grant funds include: Community Development Block Grants (CDBG), Emergency Solutions Grant (ESG), the HOME Investment Partnerships Program (HOME), and Housing Opportunities for People with AIDS (HOPWA). The dollars are primarily meant for investment in the State's less populated and rural areas, which do not receive such funds directly from HUD.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The 2014 Action Plan is the fifth of five program years covered by the State of Indiana 2010-2014 Consolidated Plan. The five-year, top-level goals that guide funding during this planning period include:

Goal 1. Expand and preserve affordable housing opportunities throughout the housing continuum.

Goal 2. Reduce homelessness and increase housing stability for special needs populations.

Goal 3. Promote livable communities and community revitalization through addressing unmet community development needs.

Goal 4. Promote activities that enhance local economic development efforts.

The goals are not ranked in order of importance, since it is the desire of the State to allow each region and locality to determine and address the most pressing needs it faces.

To achieve the goals, the State will use a combination of federal and state funds, and other public and private funds, for project leveraging to address the priority housing and community development needs.

For the eCon Plan Suite, these top level goals have been narrowed into sub-goals, which appear in section SP-45. (These sub-goals are called “objectives” in the 2010-2014 Consolidated Plan). Each sub-goal has "goal outcome," for both the five- and one-year planning period.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

OCRA and IHCDA past programs and allocation methods have been successful. Changes in priorities and allocation methods for 2013 were based on local government consultation, data collection and the need to continue having the greatest impact with less funding. For example, for the 2013 program year OCRA has implemented a Section 108 loan program, to provide local governments access to capital that is difficult to obtain privately.

IHCDA allocates funds to meet its five strategic goals: ending long-term homelessness, comprehensive community development, sustainable and affordable housing, individual and family economic stability, and aging in place. This is the fourth year that IHCDA has made these strategic objectives the funding allocation priority of formula grants. Each of the four strategic priorities requires funding from multiple funding sources. For example, to end long-term homelessness, ESG funds will be required to work in coordination with Continuum of Care (CoC) funds to reduce the length of time people experiencing homelessness stay in shelters and reduce recidivism by increasing rental assistance programs funded through CoC funds. Our experience has led the agency to allocate formula grant funds in concert with other funding streams necessary to advance IHCDA's strategic goals.

ESG funding in 2013 was allocated toward operations, essential services, HMIS, rapid rehousing, homelessness prevention, and street outreach. There were nine subrecipients who were awarded Rapid Rehousing, with three of those agencies awarded homeless prevention funds also. A small portion of funds was dedicated to street outreach and there were three non-profits that were awarded this activity.

Due to installation of a new HMIS system in March 2012, a good performance baseline was not attainable until the system was fully functioning for 2013. The State of Indiana will collect a good baseline of performance standards data from the annual performance report and CAPER that is due later in the year. With the 2013 RFP and award agreements, the subrecipients will set their 2014 goals against that baseline of 2013 performance.

HOPWA funding in 2013 were used primarily to fund short-term (21 weeks) and long-term (52 weeks, renewable) housing in private units. Additional funding line items include the provision of Housing Information to eligible clients, supportive services to enable clients to locate and secure housing, housing placement support, support for housing facility operation, as well as administrative support for subrecipients who offer HOPWA-funded services directly to clients.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

During development of the 2014 Action Plan, a “forward thinking” survey of stakeholders was conducted to 1) provide information on current housing and community development needs and 2) receive feedback on the state’s current allocation priorities and programming and how these align with existing community needs. This information not only informed the 2014 Action Plan, but will also be used for development of new goals, strategies and allocation priorities in the new, 2015-2019 Five-year

Consolidated Plan. This effort was supplemented with regional meetings with local officials, nonprofits, businesses and other stakeholders.

Residents were involved in the Action Plan process through their attendance at any of the five public forums held in April to discuss the 2014 Action Plan and gather input for the Five year Consolidated Plan.

5. Summary of public comments

This section will be updated for the final Action Plan once the public comment process has concluded and comments have been received.

6. Summary of comments or views not accepted and the reasons for not accepting them

This section will be updated for the final Action Plan once the public comment process has concluded and comments have been received.

7. Summary

N/A

OMB Control No: 2506-0117 (exp. 07/31/2015)

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name
Lead Agency	Office of Community and Rural Affairs
CDBG Administrator	Office of Community and Rural Affairs
HOPWA Administrator	Indiana Housing & Community Development Authority
HOME Administrator	Indiana Housing & Community Development Authority
HOPWA-C Administrator	Indiana Housing & Community Development Authority

Table 1 – Responsible Agencies

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

This section summarizes the consultation between OCRA and IHCDA and state partners in development of the 2014 Action Plan, as well as during program years.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies.

In the year leading up to preparation of the 2014 Action Plan, both OCRA and IHCDA made it a priority to receive input from organizations throughout the state that provide housing and services to the state's lowest income residents and residents with special needs. OCRA met with several regional planning organizations to collect information on regional housing and community development needs and receive suggestions on how state programs could better meet these needs. This input resulted in program modifications--e.g., the modification of the Wastewater/Drinking Water Program, additional funds for the Stormwater Improvements Program--for 2014.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Please see below.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS.

The IN-502 CoC Board serves and acts as the oversight and planning body on preventing and ending homelessness for the CoC General Membership Body. The Board comprises a diverse set of geographically representative stakeholders with the knowledge and expertise to create policy priorities and make funding decisions related to homelessness. The first CoC Board Meeting was held on September 19, 2013 and plans to meet 10 times per year.

The CoC Board members represent populations in the homeless community, as well as subpopulations including chronic homeless, seriously mentally ill, chronic substance abuse, families, domestic violence, youth and veterans. There are two representatives from the Regional Planning Councils on Homelessness across the Balance of the State.

The State ESG program presented their program plans to the CoC Board in March 2014 and will present their plans to the Entitlement Cities at the annual round table meeting.

Since the CoC Board was established as of September 2013, the Executive Committee with the CoC Approval have been reviewing and updating the committee structure. The committees are: Executive Committee, Resource and Funding, Strategic Planning, Performance & Outcomes and Ad Hoc Committees as needed.

The Executive Committee will provide governance of process and the structure of the CoC IN-502 general membership and CoC Board. They will oversee the MOA's with IHCDA and provide the overall communications to the CoC IN-502.

The Resource & Funding Committee oversees local, state, and federal funding for the CoC and seeks new opportunities for funding to end homelessness, such as Section 811 PRAD, McKinney Vento Competitive Applications and the Consolidated State Plan Application for the ESG funding. The Committee will build collaborations with the Interagency Council, Indiana Department of Corrections, Family of Social Service Administration, Division of Mental Health and Addictions, Veterans Administration, Department of Education, and the Department of Child Services. The Committee will collaborate with local consolidated plans across other local cities within the Balance of State IN-502. The Committee will also collaborate with the public housing authority. The objective is to ensure integration of CoC and ESG under the same performance standards, meeting all the needs and gaps in the CoC.

The Strategic Planning Committee will address housing and services to effectively address needs listed in the CoC's strategic plan to end homelessness. The Committee will oversee the Coordinated Access Grant, and discharge planning from institutions within the State.

The Performance & Outcome Committee will oversee the Homeless Management Information System (HMIS) grant to provide oversight and help to develop, maintain, and update the state wide HMIS including the development and implementation of data protocols, reporting, policies and problem solving measures, and meeting all HUD benchmarks.

As needed, the above Committees may need to initiate Ad Hoc Subcommittees as needed during the year.

2. Agencies, groups, organizations and others who participated in the process and consultations

OMB Control No: 2506-0117 (exp. 07/31/2015)

1	**Agency/Group/Organization**	Office of Community and Rural Affairs
	Agency/Group/Organization Type	Lead Agency
	What section of the Plan was addressed by Consultation?	Led consultation process
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Please see the Grantee Unique Appendices for a summary of the participants in the stakeholder survey and regional meetings conducted to support the 2014 Action Plan.

Table 2 – Agencies, groups, organizations who participated. Please see the Citizen Participation attachment.

Identify any Agency Types not consulted and provide rationale for not consulting

None; all agency types had the opportunity to participate in development of the 2014 Action Plan through the open stakeholder survey and public forums.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care		

Table 3 - Other local / regional / federal planning efforts

Narrative

In the summer of 2013, the Lt Governor of Indiana conducted a 92 County tour and met with local officials and business from every County. The issues and needs raised in these meetings were given to OCRA to help develop their organizational priorities, including the use of CDBG.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting

Five public hearings held across the state on April 22, 23 and 24 in North Vernon, Marion, Delphi, Loogootee and Speedway. Citizen input from these hearings were used to adjust the 2014 Action Plan funding allocation and priorities, as needed. This input will also lay the foundation for the new goals, strategies and allocation priorities that will be developed as part of the 2015-2019 Five year Consolidated Plan.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/broad community	To be added after hearings.	To be added after hearings	To be added after hearings	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

This section discusses the resources that are expected to be available to fulfill the objectives of the 2014 Action Plan. Please note that at the time the 2014 draft Action Plan was prepared, the Priority Table (also known as Anticipated Resources) was not live within IDIS. This narrative section is used instead to list anticipated resources.

Anticipated Resources for 2014

CDBG. Activities include acquisition, administration and planning, economic development, housing, public improvements and public services = $28,023,644

HOME. Activities include acquisition, homebuyer assistance, homeowner rehab, homeowner new construction, multifamily/rental new construction, multifamily/rental rehab, TBRA = $10,493,153

ESG. Activities include operations for emergency shelters and transitional housing, essential services for emergency shelters and transitional housing, street outreach, repaid rehousing (rental assistance, financial services, financial assistance), homeless prevention (rental assistance, financial services, financial assistance), administration = $3,353,815

HOPWA. Activities include permanent housing in facilities, permanent housing placement, short term or transitional housing facilities, STRMU, supportive services, TBRA = $947,296.

Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

OCRA match. Matching funds include local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds for CDBG projects is 10 or 20 percent of the total estimated project costs. This percentage is computed by adding the proposed CDBG grant amount and the local matching funds amount, and dividing the local matching funds amount by the total sum of the two amounts. The 2013 definition of match includes a maximum of 5 percent pre-approved and validated in-kind contributions. The balance of the 10 percent must be in the form of either cash or debt. Any in-kind over and above the specified 5 percent may be designated as local effort. Grant funds provided to applicants by the State of Indiana are not eligible for use as matching funds.

IHCDA match. Recent influxes of program funding from the federal government, along with several new initiatives that expand IHCDA's vision and overall mission into more comprehensive developments, sometimes pose an issue with obtaining the required level of match/leveraging funds. IHCDA will thus create a match pool, which is a collection of resources taken from closed HOME-funded projects that documented match in excess of the required 25 percent. These eligible sources of match are kept on record and may be used as match for future IHCDA-funded projects. The pool allows applicants that, after exploring all possible avenues of meeting the requirement, are left with a shortfall to still proceed with an award application.

ESG match. ESG subrecipients are required to match 100 percent of the ESG award, and can include cash, grants and in-kind donations.

CDBG housing leverage. The State of Indiana requires 10 percent leverage for most CDBG funds. IHCDA recipients have used a variety of funding sources to meet this requirement, including Federal Home Loan Bank grants, Rural Development grants, contractor contributions, cash contributions and cash from local government general funds.

HOME match. The HOME program requires a 25 percent match, which is a federal requirement. Applicants must demonstrate eligible matching funds equal to 25 percent of the amount of HOME funds requested, less administration, environmental review and CHDO operating costs. If the applicant is proposing to utilize banked match for the activity:

*And it is the applicant's own banked match, the match liability on the previous award for which the match was generated must already be met and documented with IHCDA for the match to be eligible as of the application due date. Only HOME-eligible match generated on IHCDA awards made in 1999 or later are eligible to be banked.

*Or, if it is another recipient's match, the applicant must provide an executed agreement with the application verifying that the recipient is willing to donate the match.

Only banked match from awards made in 1999 or later that have fully met their match liability are eligible to donate to another applicant. The award must be closed before the agreement to donate match is executed. Match cannot be sold or purchased and is provided purely at the discretion of the recipient that granted it.

Banked leverage generated on a CDBG award cannot be used as match on a future HOME award. Only banked match generated on a HOME award can be used on a future HOME award.

The HOME regulations outline the very specific types of HOME-eligible matching funds, and IHCDA must document expenditures of matching funds by individual sites. HOME recipients often use Federal Home Loan Bank grants, savings from below-market interest rate loans, and donations of property, as match for their HOME awards. Additionally, IHCDA documents the MRB financing used in the First Home program as a match.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

N/A.

Discussion

Please see above.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Create New & Rehabilitate Affordable Rentals	2010	2014	Affordable Housing		Provide affordable housing opportunities	HOME $4,700,000	Rental units constructed: 50 Household Housing Unit Rental units rehabilitated: 50 Household Housing Unit
2	Provide & Support Homebuyer Assistance	2010	2014	Affordable Housing		Provide affordable housing opportunities	HOME $1,000,000	Direct Financial Assistance to Homebuyers: 700 Households Assisted
3	Develop Affordable Owner Occupied Units	2010	2014	Affordable Housing		Provide affordable housing opportunities	HOME $1,000,000	Homeowner Housing Added: 25 Household Housing Unit
4	Complete Owner Occupied Rehabilitation	2010	2014	Affordable Housing		Provide affordable housing opportunities	CDBG $2,752,934	Homeowner Housing Rehabilitated: 240 Household Housing Unit
5	Predevelopment Loan Funding for Affordable Housing	2010	2014	Affordable Housing		Provide affordable housing opportunities	HOME $250,000	Other: 5 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Funding for Organizational Capacity	2010	2014	Affordable Housing		Provide affordable housing opportunities	HOME $250,000	Other: 8 Other
7	Construction & Rehab of Perm Supportive Housing	2010	2014	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	HOME $1,500,000	Housing for Homeless added: 40 Household Housing Unit
8	Tenant-Based Rental Assistance	2010	2014	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	HOME $500,000	Tenant-based rental assistance / Rapid Rehousing: 200 Households Assisted
9	Operating Support Funding for Shelters	2010	2014	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	ESG $1,671,429	Other: 60 Other
10	Emergency Shelter Essential Services	2010	2014	Homeless		Reduce homelessness and improve stability	EST $200,000	Overnight/Emergency Shelter/Transitional Housing Beds added: 11700 Beds
11	Rapid Re-Housing	2010	2013	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	ESG $1,247,619	Tenant-based rental assistance / Rapid Rehousing: 320 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	HOPWA Housing Information Services	2010	2014	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOWPA $201,700	Other: 75 Other
13	HOPWA Housing Placement Services	2010	2014	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA, approximately $50,000	Other: 100 Other
14	HOPWA Improve Housing Options	2010	2014	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA, approximately $743,643	Tenant-based rental assistance / Rapid Rehousing: 110 Households Assisted HIV/AIDS Housing Operations: 20 Household Housing Unit Other: 220 Other
15	Equipment for Emergency Services	2010	2014	Non-Housing Community Development		Creating livable and revitalized communities	CDBG $2,000,000	Other: 10 Other
16	Construct Public Facility Projects	2010	2014	Non-Housing Community Development		Local economic development	CDBG $2,000,000	Other: 9 Other
17	Brownfield/Clearance Projects	2010	2014	Non-Housing Community Development		Creating livable and revitalized communities	CDBG $1,000,000	Other: 13 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
18	Construct & Rehab Infrastructure Improvements	2010	2014	Non-Housing Community Development		Local economic development	CDBG $13,000,334	Other: 19 Other
19	Provide Planning Grants to Local Governments/CHDOs	2010	2014	Non-Housing Community Development			CDBG $400,000	Other: 50 Other
20	Construction & Rehab of Migrant Farmworker Housing	2012	2012	Homeless Non-Homeless Special Needs		Provide affordable housing opportunities	CDBG $500,000	Other: 40 Other

Table 5 – Goals Summary

AP-25 Allocation Priorities – 91.320(d)

Introduction

This section discusses the rationale for the funding priorities and allocation proposed for the 2014 program year.

Reason for Allocation Priorities

The programs and allocation priorities for 2014 were modified slightly from the prior year. For CDBG, more funding will be allocated to public infrastructure improvements, to address increased needs in this area, as expressed through the regional forums and in the stakeholder survey. This increase will be offset by declines in funding for historic preservation, job creation and community development projects.

The program allocation for ESG is modified to allocate slightly more funding to shelter support and slightly less for essential services, after considering input from shelters on their needs.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

This section summarizes the Method of Distributions (MOD) used to allocate funds from the four HUD block grants--CDBG, HOME, ESG and HOPWA--to nonentitlement communities in the State of Indiana. The detailed MODs are included in the attached Grantee Unique Appendices.

Distribution Methods

<table>
<tr><td rowspan="5">1</td><td>State Program Name:</td><td>CDBG</td></tr>
<tr><td>Funding Sources:</td><td>State allocation of CDBG (anticipated to be $28,000,000, with $3,000,000 for CDBG-OOR)</td></tr>
<tr><td>Describe the state program addressed by the Method of Distribution.</td><td>The four programs addressed by the MODs are: CDBG, HOME, ESG and HOPWA.
The CDBG MOD discusses the allocation of funds to subrecipients within the State programs of:
• Stellar Communities Program,
• Planning Fund,
• Main Street Revitalization,
• Wastewater/Drinking Water Improvements Program,
• Comprehensive Site Redevelopment Program,
• Public Facilities Program,
• Storm Water Systems Program, and
• Section 108 Program.</td></tr>
<tr><td>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</td><td>Program criteria vary. In general, applications are accepted and awards are made on a competitive basis throughout the program year. Criteria to select applications are located in Attachments C through I of the CDBG MOD, located in the Grantee Unique Appendices.</td></tr>
<tr><td>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</td><td>Please see the attached MOD.</td></tr>
</table>

	Describe how resources will be allocated among funding categories.	For the 2014 program year, the $28,023,644 expected CDBG funding will be allocated among the following programs: • Stellar Communities Program--$3,000,000 • Planning Fund--$1,200,000 • Main Street Revitalization--$1,600,000 • Wastewater/Drinking Water Improvements Program--$8,282,935 • Comprehensive Site Redevelopment Program--$1,000,000 • Public Facilities Program--$4,000,000 • Storm Water Systems Program--$5,000,000. An additional $280,236 will be used for technical assistance and $660,473 will be allocated to cover administrative costs associated with the programs. The Section 108 program could lend up to $35 million.
	Describe threshold factors and grant size limits.	Please see the program specific grant limits and factors located in the CDBG MOD in the Grantee Unique Appendices.
	What are the outcome measures expected as a result of the method of distribution?	The expected outcomes vary by program; full details are contained in the CDBG MOD. For example, the Stellar Communities Program will make two grants to communities for comprehensive revitalization strategies. In these strategies, communities will identify areas of interest and types of projects, produce a schedule to complete the projects, produce cost estimates, identify local match amounts and additional funding, indicate the level of community impact and describe the significance each project will have on the overall revitalization of the town/city. These two strategies will be used to produce a three-year community investment plan to identify capital and quality of life projects to be completed.
2	**State Program Name:**	CDBG--OOR
	Funding Sources:	$3,000,000 in CDBG
	Describe the state program addressed by the Method of Distribution.	This program consists of the $3 million in CDBG funding that is allocated to IHCDA for administration of an owner occupied rehabilitation program (OOR).

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Scoring is located in the final portion of the OOR MOD, located in the Grantee Unique Appendices. In sum, each application is evaluated based on: Project characteristics (50 points), Readiness (10 points), Capacity (30 points), Financing (10 points) and Completeness Bonus (5 points). The scoring incorporates points for projects that serve below 40% AMI households, persons with disabilities, seniors and families with children.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Please see the attached MOD for the CDBG-OOR program.
	Describe how resources will be allocated among funding categories.	$3 million on CDBG is allocated to IHCDA to use for owner occupied rehabilitation of units occupied by low and very low income households.
	Describe threshold factors and grant size limits.	The maximum request amount per application is $350,000. Funds must not exceed $25,000 per unit. All subsidies are secured through an affordability period. Detailed subsidy limitations and eligible activity costs are located on page 10 of the CDBG OOR MOD.
	What are the outcome measures expected as a result of the method of distribution?	The OOR program is designed to improve the quality of existing housing stock in Indiana through owner occupied rehabilitation of properties occupied by low and very low income households. Secondary benefits will include neighborhood revitalization, enabling seniors to age in place, providing accessible, quality housing for persons with disabilities, promoting healthy families and improving energy efficiency in housing.
3	**State Program Name:**	ESG
	Funding Sources:	State allocation of ESG, anticipated to be $3,353,815
	Describe the state program addressed by the Method of Distribution.	Funding through the Emergency Solutions Program assists persons and families who are homeless find shelter, avoid homelessness and transition into permanent housing.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	IHCDA plans to allocate funding to approximately 8-10 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration. There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one-two agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available.
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	Please see above.

	Describe how resources will be allocated among funding categories.	No more than the maximum allowed of 60 percent of ESG funds will be allocated to operations, essentials and street outreach.
	Describe threshold factors and grant size limits.	The amount of each award could be between $50,000 - $350,000
	What are the outcome measures expected as a result of the method of distribution?	The ultimate goal of ESG is to prevent homelessness and assist families and individuals experiencing homelessness to find housing as quickly as possible. Please see the ESG MOD for the performance standards expected of ESG subrecipients.
4	**State Program Name:**	HOME
	Funding Sources:	State allocation of HOME, expected to be $10,493,153
	Describe the state program addressed by the Method of Distribution.	HOME Partnership Investments Program, which is used to fund affordable rental unit construction and rehabilitation, provide downpayment assistance to homebuyers, develop affordable owner occupied housing, rehabilitate owner occupied housing, assist special needs and homeless residents with housing needs (including through TBRA) and support the work of CHDOs.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Scoring appears on page 34 of the HOME MOD, located in the Grantee Unique Appendices. In sum, each application is evaluated based on: Project characteristics (35 points), Development features (25 points), Readiness (13 points), Capacity (25 points), Financing (10 points) and Unique Features/Bonus (10 points). The scoring incorporates points for accessibility and visitability features in housing developments.
	Describe how resources will be allocated among funding categories.	Please see AP-20 for how HOME funding will be allocation among program categories.

	Describe threshold factors and grant size limits.	The maximum request amount per application is $500,000 for both rental and homebuyer projects. HOME funds used for acquisition, rehabilitation, new construction, program delivery, relocation, rent-up reserve, and developer's fee combined cannot exceed: $55,000 for a studio, $63,000 for a 1 bedroom unit, $77,000 for a 2 bedroom unit, $99,000 for a 3 bedroom unit and $109,000 for a 4+ bedroom unit. The minimum amount of HOME funds to be used for rehabilitation or new construction is $1,000 per unit. HOME funds cannot be used for reserve accounts for replacement or operating costs, but may be used as a Rent-Up Reserve. Lead hazard and homebuyer counseling are limited to $1,000 per homeowner/buyer.
	What are the outcome measures expected as a result of the method of distribution?	Actual outcomes will depend on the types of applications received. All programs have the same goal of improving the quality of existing housing stock in Indiana.
5	**State Program Name:**	HOPWA
	Funding Sources:	State allocation of HOPWA, expected to be $947,246
	Describe the state program addressed by the Method of Distribution.	Housing Opportunities for Persons with HIV/AIDS assists persons with HIV and AIDS with housing placement and rental subsidies.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds: • Required to be a non-profit organization • Required to be a current Indiana State Department of Health Care Coordination Site. • Previous experience providing HOPWA assistance. • Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region. • Agencies will need to commit to utilize Coordinated Access of the Continuum of Care once it is available in their area.
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	Please see above.
	Describe how resources will be allocated among funding categories.	Funds will be made available in the following percentages of the total awards made to project sponsors: • At least 60 percent to direct housing assistance: long-term rental assistance, short term rental assistance, and facility based operations; • No more than 7 percent to sponsor administration and 3 percent to grantee administration; • No more than 35 percent to housing information and permanent housing placement activities; • No more than 35 percent to supportive services that positively affect recipients' housing stability

	Describe threshold factors and grant size limits.	Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region (for example, homeless men in Lake County), IHCDA will work with the regional sponsor to tailor services to meet the needs of the population. In instances where the sponsor cannot meet these needs, the sponsor will have the ability to sub-grant a portion of its HOPWA award to another service provider.
	What are the outcome measures expected as a result of the method of distribution?	For HOPWA, IHCDA will use the following indicators to measure subrecipient's ability to achieve the desired outcomes: • Rental Assistance households/units • Short-term rent, mortgage and utility assistance households/units • Facility based housing operations support units • Housing information services households • Permanent housing placement services households • Supportive services - households

Table 6 - Distribution Methods by State Program

Discussion

For part of this five year plan, IHCDA allocated HOME and CDBG funding using the Strategic Investment Process (SIP). SIP allowed applications to be submitted year-round on a rolling basis without any funding rounds, deadlines, or scoring criteria. Effective for FY 2013 and FY 2014 HOME and CDBG funding, the SIP process was eliminated. Both HOME and CDBG are funded through a competitive scoring process involving threshold and scoring criteria, with set rounds and application deadlines for each program.

AP-35 Projects – (Optional)

Introduction

Please see the Method of Distribution sections (contained in the Grantee Unique Appendices) for a description of the 2014 Action Plan proposed projects and allocation priorities.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds? Yes.

Available Grant Amounts

Full program description can be found with the Grantee Unique Appendices.

The State of Indiana operates a Section 108 loan funds program, the State of Indiana Community Enhancement and Economic Development Loan Program. The program is administered by OCRA and IHCDA.

Acceptance process of applications

Full program description can be found with the Grantee Unique Appendices.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies? Yes.

State's Process and Criteria for approving local government revitalization strategies

Please see the CDBG MOD and the new Section 108 Loan Program for more information about the State's programs to conduct community enhancement and economic development activities.

The Stellar Communities Program, funded with CDBG, makes available funds for a three-year revitalization strategy that will leverage unified State investment and funding from the partnering agencies to complete projects comprehensively. In the revitalization strategy, communities will identify areas of interest and types of projects; produce a schedule to complete projects; produce cost estimates; identify local match amounts, sources, and additional funding resources; indicate the level of community impact; and describe the significance each project will have on the overall comprehensive revitalization of the community. From this revitalization strategy, communities will produce a three-year community investment plan which will identify capital and quality of life projects to be completed during that period.

Evaluation and selection of the final two communities to the Stellar Communities Program will be based on:

- Completion of a Summary of Comprehensive Community Revitalization Strategy
- Identification of at least one project to be completed in each of the 3 program years. The total number of projects is solely limited to the community's ability to successfully complete each project;
- Documentation of all project cost estimates, local match amounts and sources, and additional funding resources.
- Completion of the site visit checklist from the resource team.
- Documentation and support for the level of need for each project and the significance of each project in the overall revitalization efforts within the community;
- Explanation of the capacity of the applicant to administer the funds; and
- Description of the long-term viability of the strategic community investment plan.

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State of Indiana does not prioritize the allocation of CDBG, HOME or ESG geographically. Instead, the State identifies the greatest need for the State (and nonentitlement areas) in general, and this information is used to guide the funding priorities for each program year. For local needs, the State relies on the information presented in the funding applications.

OCRA does include a component of scoring in their CDBG applications where the low and moderate income percentage is a weighted score; a higher percentage of low and moderate income will yield a higher score. IHCDA includes a preference for application that attempts to reach low- and very low-income levels of area median income.

The HOPWA grant does rely on a geographic allocation, determined through the Continuum of Care regions. Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region (for example, homeless men in Lake County), IHCDA will work with the regional sponsor to tailor services to meet the needs of the population. In instances where the sponsor cannot meet these needs, the sponsor will have the ability to sub-grant a portion of its HOPWA award to another service provider.

Rationale for the priorities for allocating investments geographically

Previously the responsibility for deciding how to allocate funds geographically has been at the agency level. The State has maintained this approach, with the understanding that the program administrators are the most knowledgeable about where the greatest needs for the funds are located. Furthermore, the State understands that since housing and community development needs are not equally distributed, a broad geographic allocation could result in funds being directed away from their best use.

Discussion

Please see above.

OMB Control No: 2506-0117 (exp. 07/31/2015)

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	15,000
Non-Homeless	300
Special-Needs	300
Total	15,600

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	400
The Production of New Units	50
Rehab of Existing Units	50
Acquisition of Existing Units	0
Total	500

Table 8 - One Year Goals for Affordable Housing by Support Type

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction

This section describes IHCDA's efforts as a public housing authority to improve the needs of renters receiving public housing subsidies.

Actions planned during the next year to address the needs to public housing

IHCDA will continue the Section 8 HCVP Family Self Sufficiency Program (FSS), launched during the spring of 2013. FSS is designed to enable families to achieve economic independence and self-sufficiency. By linking the Section 8 Housing Choice Voucher Program (HCVP) vouchers with the help of both private and public resources, families are able to receive job training, educational services and other much needed assistance over a five year period. The goal is to eliminate the family's need for public assistance and enhance their ability to achieve homeownership, if desired.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

IHCDA, as the State PHA, will also apply for Section 811 Project Based Rental Assistance in 2014. The target population will be for individuals with disabilities in State Operated Facilities and other restricted living situations. The Section 811 Project Based Rental Assistance will utilize existing HOME and Low Income Housing Tax Credit properties to provide the target population a choice of community-based housing options.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

IHCDA is a High Performing Section 8 Only PHA.

Discussion

Please see above.

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

This section discusses 2014 program year activities that will benefit persons who are homeless and special needs populations.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The State relies on its partners to conduct outreach to persons who are homeless, assess their needs and communicate these needs to the State. To that end, the State will:

- Require all HUD McKinney Vento Funded programs to utilize HMIS for all shelter or transitional housing or permanent supportive housing programs serving homeless individuals and families.
- Require all HUD McKinney Vento Funded programs to participate in the annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to IHCDA.
- Require all HUD McKinney Vento Funded programs subrecipients actively participate in their Regional Planning Council on the Homeless meetings regularly (minimum 75% attendance).
- Require all HUD McKinney Vento Funded programs to participate in the Coordinated Access in their Region as it is implemented in their area.

Addressing the emergency shelter and transitional housing needs of homeless persons

In addition to the allocation of ESG to meet the needs of persons who are homeless (see AP-20), emergency shelter and transitional housing needs are addressed through the ESG's participation in their local Regional Planning Council on Homeless in their Region but also through each Committee under the CoC Board. The Committees have been updated by the new CoC Board. They are: Executive Committee, Resources and Funding Committee, Strategic Planning Committee, Performance and Outcomes Committee and Ad Hoc Committees as needed. The State ESG program is part of the work of each committee in some way or another.

The strategic objectives of the CoC Board are:

- Decrease shelter stays by increasing rapid rehousing to stable housing.
- Reduce recidivism of households experiencing homelessness.
- Decrease the number of Veterans experiencing homelessness.
- Decrease the number of persons experiencing Chronic Homelessness.

- Create new permanent supportive housing beds for chronically homeless persons.
- Increase the percentage of participants remaining in CoC funded permanent housing projects for at least six months to 86 percent or more.
- Decrease the number of homeless households with children.
- Increase the number of rental assistance programs and services.
- Increase the percentage of participants in ESG-funded rental assistance programs that move into permanent housing to 82 percent or more.
- Increase the percentage of participants in all CoC funded transitional housing that move into permanent housing to 70 percent or more.
- Increase the percentage of participants in CoC funded projects that are employed at exit to 38 percent or higher.
- Increase persons experiencing homelessness access to mainstream resources.
- Collaborate with local education agencies to assist in the identification of homeless families and inform them of their eligibility for McKinney-Vento education services.
- Improve homeless outreach and coordinated access to housing and services.
- Improve HMIS data quality and coverage, and use data to develop strategies and policies to end homelessness.

Develop effective discharge plans and programs for individuals leaving State Operated Facilities at risk of homelessness.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Please see above.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Please see above.

Discussion

Please see above.

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	217
Tenant-based rental assistance	132
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	17
Total	366

AP-75 Barriers to affordable housing – 91.320(i)

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The State of Indiana is in the process of updating its statewide Analysis of Impediments to Fair Housing Choice (AI) to more directly address HUD's current expectations of AIs. Focus groups with residents and stakeholders, especially those in protected classes, were held in the winter and spring of 2013. Surveys to collect stakeholder input on barriers to choice in the communities they serve have also been distributed. These activities will be followed with a review of land use and zoning regulations in a sample of nonentitlement communities, an assessment of State policies that may create barriers to housing choice and a review of private sector barriers. The draft AI will contain a new Fair Housing Action Plan for OCRA and IHCDA. Preparation of the report was temporarily halted after release of the new draft rule for Affirmatively Furthering Fair Housing, in anticipation of revised guidance for completing AIs. In the absence of such new guidance and/or a final rule, preparation of the AI will resume after submission of this 2014 Action Plan.

AP-85 Other Actions – 91.320(j)

Introduction

This section describes a variety of other efforts the State will continue during the program year to help address housing and community development needs.

Actions planned to address obstacles to meeting underserved needs

The State faces a number of obstacles in meeting the needs outlined in the five-year Consolidated Plan:

- Housing and community needs are difficult to measure and quantify on a statewide level. The Consolidated Plan uses both qualitative and quantitative data to assess statewide needs. However, it is difficult to reach all areas of the State in one year, and the most recent data in some cases are a few years old. Although the State makes a concerted effort to receive as much input and retrieve the best data as possible, it is also difficult to quantify local needs. Therefore, the State must rely on the number and types of funding applications as a measure of housing and community needs;

- The ability of certain program dollars to reach citizens is limited by the requirement that applications for funding must come from units of local government or nonprofit entities. If these entities do not perceive a significant need in their communities, they may not apply for funding; and

- Finally, limitations on financial resources and internal capacities at all levels can make it difficult for the State to fulfill the housing and community development needs of its many and varied communities.

To mitigate these obstacles, during the 2013 program year, the State will continue to provide training for the application process associated with the HUD grants to ensure equal access to applying for funds, and continually review and update its proposed allocation with current housing and community development needs, gathered through the citizen participation plan and demographic, housing market and community development research.

Actions planned to foster and maintain affordable housing

The primary activities to foster and maintain affordable housing are the State's CDBG and HOME funded activities that include the production of new units, homeownership opportunities, home rehabilitation and capacity support for affordable housing developers. Through the CDBG Program, IHCDA seeks to improve the quality of existing housing stock in Indiana. This program is designed to give preference in allocating Community Development Block Grant Owner- Occupied Repair (CDBG OOR) funding among selected developments that meet IHCDA¿s goals:

1. Demonstrate they are meeting the needs of their specific community.

2. Attempt to reach low and very low-income levels of area median income.

3. Are ready to proceed with the activity upon receipt of the award.

4. Revitalize existing neighborhoods, preferably with a comprehensive approach as part of a published community revitalization plan.

5. Propose projects that promote aging in place strategies for seniors, families with seniors, and persons with disabilities.

6. Propose projects that promote healthy family strategies for families with children under the age of 18.

7. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.

Applicants of IHCDA's programs and funds are encouraged to engage in an array of activities necessary to attain the solutions desired by a community, such as:

- Pre-development and seed financing – limited to eligible nonprofits
- Operating capacity grants – limited to eligible nonprofits
- Permanent Supportive Housing – Applicants must participate in the Indiana Permanent Supportive Housing Institute to be considered for an IHCDA investment.
- Rental assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of rental housing
- Homeownership counseling and down payment assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of homebuyer housing
- Rehabilitation, modification, and energy improvements to owner-occupied housing.
- Additionally the State utilizes other programs (summarized earlier in this section) to help foster and maintain affordable housing and include:
- Affordable Housing and Community Development Fund;
- Indiana Foreclosure Prevention Network;
- Low Income Housing Tax Credits (LIHTC); and
- Section 8 voucher program.

Actions planned to reduce lead-based paint hazards

The Indiana Lead and Healthy Homes Program (ILHHP), of ISDH, has as its goal the elimination of lead poisoning as a public health problem, especially among young children whose health and development are most susceptible to the harmful effects of lead. The primary source of lead poisoning is lead-based paint. Addressing the problem through existing and new housing rehabilitation programs is fundamental to reach the Indiana and federal goal of eliminating childhood lead poisoning. Effective January 1, 2010, ISDH has taken responsibility to implement and enforce the state and federal regulations concerning lead-based paint. The regulations are designed to eliminate environmental hazards by ensuring that trained lead professionals are available to conduct the safe and effective elimination of the primary sources of lead poisoning.

The Residential Lead-Based Hazard Reduction Act of 1992 (commonly referred to as "Title X") supports widespread prevention efforts of lead poisoning from lead-based paint. As a part of the Act, in 1991, the Office of Healthy Homes and Lead Hazard Control (OHHLHC) was established by HUD in order to bring together health and housing professionals in a concerted effort to eliminate lead-based paint hazards in America's privately-owned and low-income housing.

HUD has regulations to protect children from the hazards of lead-based paint in federally funded projects. HUD continues to provide training for compliance with these regulations. In October 2009, ISDH was awarded $1,070,000 from HUD to address lead hazards in Indiana homes.

The Indiana Lead-Safe Housing Advisory Council commissioned a study in late 2010. Based on the study the Council will develop housing based primary prevention recommendations. The study will do the following:

- Determine the feasibility and fiscal impact of universal blood lead testing in Indiana.
- Determine statewide prevalence and distribution of elevated blood lead levels as defined by 410 IAC 29.
- Determine the percentage of medical providers administering the questionnaire and the effectiveness of the questionnaire.
- Determine the economic impact of addressing lead hazards on the housing community.
- Determine the type of housing stock where lead hazards are present.
- Determine the sources of poisoning in Indiana based on environmental investigations.
- Review and make recommendations on the timing of the seller's disclosure form of known lead hazards to provide the consumer the best opportunity to make an informed decision.

Actions planned to reduce the number of poverty-level families

The State of Indiana does not have a formally adopted statewide anti-poverty strategy. In a holistic sense, the entirety of Indiana's Consolidated Plan Strategy and Action Plan is anti-poverty related because a stable living environment is also a service delivery platform. However, many of the strategies developed for the five-year Plan directly assist individuals who are living in poverty.

Indiana has a history of aggressively pursuing job creation through economic development efforts at the

State and local levels. This emphasis on creating employment opportunities is central to a strategy to reduce poverty by providing households below the poverty level with a means of gaining sustainable employment.

Other efforts are also needed to combat poverty. Many of the strategies outlined in the Consolidated Plan are directed at providing services and shelter to those in need. Once a person has some stability in a housing situation, it becomes easier to address related issues of poverty and provide resources such as childcare, transportation and job training to enable individuals to enter the workforce. Indiana's community action agencies are frontline anti-poverty service providers. They work in close cooperation with State agencies to administer a variety of State and federal programs.

Education and skill development are an important aspect of reducing poverty. Investment in workforce development programs and facilities is an essential step to break the cycle of poverty. Finally, there continue to be social and cultural barriers that keep people in poverty. Efforts to eliminate discrimination in all settings are important. In some cases, subsidized housing programs are vital to ensure that citizens have a safe and secure place to live.

The State also utilizes the Section 3 requirement (a provision of the Housing and Urban Development Act of 1968). Section 3 applies to employment opportunities generated (jobs created) as a result of projects receiving CDBG or HOME funding through ORCA or IHCDA, whether those opportunities are generated by the award recipient, a subrecipient, and/or a contractor. The requirements of Section 3 apply to all projects or activities associated with CDBG or HOME funding, regardless of whether the Section 3 project is fully or partially funded with CDBG/HOME. A detailed description of Section 3 requirements is included in OCRA/IHCDA's award manual. A notice of Section 3 requirements is included in bid solicitations and is covered during the award trainings.

Actions planned to develop institutional structure

The State has an efficient institutional structure through which programs are delivered. Several gaps exist in the housing and community development delivery system, however, especially for meeting the need for affordable housing. The primary gaps include:

- Lack of coordination and communication. Many social service providers, local business leaders and citizens continually express frustration about not knowing what programs are available and how to access those programs. Without full knowledge of available programs, it is difficult for communities to start addressing their housing needs. The State continues to address this gap through distribution of information about resources through regional agency networks and at public events.

- Lack of capacity for not-for-profits to accomplish community needs. In many communities, the nonprofits are the primary institutions responsible for the delivery of housing and community development programs. These organizations function with limited resources and seldom receive funding designated for administrative activities. The State continues to include planning and capacity-building grants as eligible activities for CDBG and HOME.

Actions planned to enhance coordination between public and private housing and social

service agencies

A number of private-sector organizations are involved in housing policy in Indiana. On an association level, the Indiana Realtors Association, Indiana Homebuilders Association, Indiana Mortgage Bankers Association and other organizations provide input into housing and lending policies. Private lending institutions are primarily involved in providing mortgage lending and other real estate financing to the housing industry. Several banks are also active participants in IHCDA's First Home program. The private sector is largely able to satisfy the demands for market-rate housing throughout the State.

Many not-for-profit organizations or quasi-governmental agencies are putting together affordable housing developments and gaining valuable experience in addressing housing needs on a local level. As of March 2010, the State now has 49 organizations certified as Community Housing Development Organizations (CHDOs).

The State has an active network of community development corporations, many of which have become increasingly focused on housing and community development issues. These organizations are engaged in a variety of projects to meet their communities' needs, from small-scale rehabilitation programs to main street revitalization. The projects undertaken by community development corporations are often riskier and more challenging than traditional development projects.

Public housing authorities exist in the major metropolitan areas and in small to medium-sized communities throughout the State.

The State also has several organizations that advocate for State policies and organize housing and community development activities at the State level. The Indiana Association for Community Economic Development (IACED) is a membership organization for the State's housing and community development nonprofits and provides top level policy coordination, as well as training and technical assistance. The Back Home in Indiana Alliance is comprised of Indiana leaders in several affordable-housing and disability-related organizations and help people with disabilities become homeowners in several Indiana communities. Rural Opportunities, Incorporated (ROI) is an advocacy organization that focuses on the housing and social service issues of the State's migrant farmworker population.

Many not-for-profit organizations have become more actively engaged in delivering social services. Community mental health centers, religious and fraternal organizations and others provide support in the form of counseling, food pantries, clothing, emergency assistance, and other activities. The State's 16 Area Agencies on Aging have also become more involved in housing issues for seniors.

During the 2013 program year, the State will continue regular outreach to its private and public sector partners through regional staff, workshops and training and opportunities for feedback about program requirements and structure (through regional meetings, surveys, etc).

The State's new Section 108 loan program is also expected to encourage innovative private-public partnerships.

Discussion

Please see above.

Methods of Distribution

CDBG, HOME, ESG and HOPWA 2014

CDBG Method of Distribution

STATE OF INDIANA

STATE COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG) PROGRAM (CFDA: 14-228)

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS

FY 2014 PROGRAM DESIGN AND METHOD OF DISTRIBUTION

GENERAL BACKGROUND INFORMATION AND NATIONAL CDBG OBJECTIVES

The State of Indiana, through the Indiana Office of Community and Rural Affairs, assumed administrative responsibility for Indiana's Small Cities Community Development Block Grant (CDBG) Program in 1982, under the auspices of the U.S. Department of Housing and Urban Development (HUD). In accordance with 570.485(a) and 24 CFR Part 91, the State must submit a Consolidated Plan to HUD by May 15th of each year following an appropriate citizen participation process pursuant to 24 CFR Part 91.325, which prescribes the State's Consolidated Plan process as well as the proposed method of distribution of CDBG funds for 2014. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2014 is $28,023,644.**

This document applies to all federal Small Cities CDBG funds allocated by HUD to the State of Indiana, through its Office of Community and Rural Affairs.

The primary objective of Indiana's Small Cities CDBG Program is to assist in the development and re-development of viable Indiana communities by using CDBG funds to provide a suitable living environment and expand economic opportunities, principally for low and moderate income persons.

Indiana's program will place emphasis on making Indiana communities a better place in which to reside, work, and recreate. Primary attention will be given to activities, which promote long term community development and create an environment conducive to new or expanded employment opportunities for low and moderate income persons.

The Office of Community and Rural Affairs will pursue this goal of **investing CDBG wisely** and all applicable strategic priorities by distributing CDBG funds in a manner, which promotes exploration of all alternative resources (financial and personal) when making funding decisions respective to applications for CDBG funding.

PROGRAM AMENDMENTS

The Indiana Office of Community and Rural Affairs reserves the right to transfer up to ten percent (10%) of each fiscal year's available allocation of CDBG funds (i.e. FY 2014 as well as prior-years' reversions balances) between the programs described herein in order to optimize the use and timeliness of distribution and expenditure of CDBG funds, without formal amendment of this Consolidated Plan.

The Office of Community and Rural Affairs will provide citizens and general units of local government with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of FY 2014 CDBG as well as reversions and residual available balances of prior-years' CDBG funds. "Substantial Change" shall mean the movement between programs of more than ten percent (10%) of the total allocation for a given fiscal year's CDBG funding allocation, or a major modification to programs described herein. The Office of Community and Rural Affairs, in consultation with the Indianapolis office of the US Department of Housing and Urban Development (HUD), will determine those actions, which may constitute a "substantial change".

The State (OCRA) will formally amend its FY 2014 Consolidated Plan if the Office of Community and Rural Affairs' **Method of Distribution for FY 2014 and prior-years funds** prescribed herein are to be significantly changed. The OCRA will determine the necessary changes, prepare the proposed amendment, provide the public and units of general local government with reasonable notice and opportunity to comment on the proposed amendment, consider the comments received, and make the amended FY 2014 Consolidated Plan available to the public at the time it is submitted to HUD. In addition, the Office of Community and Rural Affairs will submit to HUD the amended Consolidated Plan before the Department implements any changes embodied in such program amendment.

ELIGIBLE ACTIVITIES/FUNDABILITY

All activities, which are eligible for federal CDBG funding under Section 105 of the Federal Housing and Community Development Act of 1974, as, amended (Federal Act), are eligible for funding under the Indiana Office of Community and Rural Affairs' FY 2014 CDBG program. However, the Indiana Office of Community and Rural Affairs reserves the right to prioritize its method of funding; the Office of Community and Rural Affairs prefers to expend federal CDBG funds on activities/projects which will produce tangible results for principally low and moderate income persons in Indiana. Funding decisions will be made using criteria and rating systems, which are used for the State's programs and are subject to the availability of funds. It shall be the policy under the state program to give priority to using CDBG funds to pay for actual project costs and not to local administrative costs. **The State of Indiana certifies that not less than seventy-percent (70%) of FY 2014 CDBG funds will be expended for activities principally benefiting low and moderate income persons, as prescribed by 24 CFR 570.484, et. seq.**

ELIGIBLE APPLICANTS

1. All Indiana counties, cities and incorporated towns which do not receive CDBG entitlement funding directly from HUD or are not located in an "urban county" or other area eligible for "entitlement" funding from HUD.

2. All Indian tribes meeting the criteria set forth in Section 102 (a)(17) of the Federal Act.

In order to be eligible for CDBG funding, applicants may not be suspended from participation in the HUD-funded CDBG Programs or the Indiana Office of Community and Rural Affairs due to findings/irregularities with previous CDBG grants or other reasons. In addition, applicants may be suspended from participation in the state CDBG-funded projects administered by the Indiana Housing & Community Development Authority (IHCDA), such funds being subcontracted to the IHCDA by the Office of Community and Rural Affairs.

Further, in order to be eligible for CDBG funding, applicants may not have overdue reports, overdue responses to monitoring issues, or overdue grant closeout documents for projects funded by either the Office of Community and Rural Affairs or IHCDA projects funded using state CDBG funds allocated to the IHCDA by the Office of Community and Rural Affairs. All applicants for CDBG funding must fully expend all CDBG Program Income as defined in 24 CFR 570.489(e) prior to, or as a part of the proposed CDBG-assisted project, in order to be eligible for further CDBG funding from the State.

Other specific eligibility criteria are outlined in **General Selection Criteria** provided herein.

FY 2014 FUND DISTRIBUTION

Sources of Funds:

FY 2014 CDBG Allocation	$28,023,644
Section 108 Loan Program	$35,000,000 (up to)
CDBG Program Income	$0
Total:	**$63,023,644**

Uses of Funds:

2. Housing Programs (IHCDA)	$3,000,000	
3. Stellar Communities Program	$3,000,000	
4. Planning Fund	$1,200,000	
5. Main Street Revitalization Program	$1,600,000	
6. Wastewater/Drinking Water Improvements Program	$8,282,935	
7. Comprehensive Site Redevelopment Program	$1.000,000	
8. Public Facilities Program	$4,000,000	
9. Storm Water Systems Program	$5,000,000	
10. Urgent Need Fund	$0	
11. Technical Assistance	$ 280,236	
12. Administration	$ 660,473	
13. Section 108 Loan Program (CEED)	$35,000,000	(up to)
Total:	**$63,023,644**	

(a) The State of Indiana (Office of Community and Rural Affairs) does not project receipt of any CDBG program income for the period covered by this FY 2014 Consolidated Plan. In the event the Office of Community and Rural Affairs receives such CDBG Program Income, such moneys will be placed in the Wastewater/Drinking Water Program (WDW) for the purpose of making additional competitive grants under that program. Reversions of other years' funding will be placed in the Wastewater/Drinking Water Program (WDW) for the specific year of funding reverted. The State will allocate and expend all CDBG Program Income funds received prior to drawing additional CDBG funds from the US Treasury. However, the following exceptions shall apply:

1. This prior-use policy shall not apply to housing-related grants made to applicants by the Indiana Housing & Community Development Authority (IHCDA), a separate agency, using CDBG funds allocated to the IHCDA by the Office of Community and Rural Affairs.

2. Program income generated by CDBG grants awarded by the Office of Community and Rural Affairs (State) using FY 2014 CDBG funds must be returned to the Office of Community and Rural Affairs, however, such amounts of less than $35,000 per calendar year shall be excluded from the definition of CDBG Program Income pursuant to 24 CFR 570.489.

All obligations of CDBG program income to projects/activities require prior approval by the Office of Community and Rural Affairs. This includes use of program income as matching funds for CDBG-funded grants from the IHCDA. Applicable parties should contact the Director of Grant Services at (317) 232-1703 for application instructions and documents for use of program income prior to obligation of such funds.

Local Governments that have been inactive in using their program income are required to return their program income to the State. The State will use program income reports submitted by local governments and/or other information obtained from local governments to determine if they have been active or inactive in using their program income. Local governments that have an obligated/approved application to use their program income to fund at least one project in the previous 24 months will be considered active. Local governments that have not obtained approval for a project to utilize their program income for 24 months will be considered inactive.

Furthermore, U.S. Department of Treasury regulations require that CDBG program income cash balances on hand be expended on any active CDBG grant being administered by a grantee before additional federal CDBG funds are requested from the Office of Community and Rural Affairs. These US Treasury regulations apply to projects funded both by IHCDA and the Office of Community and Rural Affairs. Eligible applicants with CDBG program income should strive to close out all active grant projects presently being administered before seeking additional CDBG assistance from the Office of Community and Rural Affairs or IHCDA.

Eligible applicants with CDBG program income should contact the Office of Community and Rural Affairs at (317) 232-1703 for clarification before submitting an application for CDBG financial assistance.

METHOD OF DISTRIBUTION

The choice of activities on which the State (Office of Community and Rural Affairs) CDBG funds are expended represents a determination by Office of Community and Rural Affairs and eligible units of general local government, developed in accordance with the Department's CDBG program design and procedures prescribed herein. The eligible activities enumerated in the following Method of Distribution are eligible CDBG activities as provided for under Section 105(a) of the Federal Act, as amended.

All projects/activities funded by the State (Office of Community and Rural Affairs) will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will be distributed according to the following Method of Distribution (program descriptions):

A. Housing Program: $3,000,000

The State (Office of Community and Rural Affairs) has contracted with the Indiana Housing & Community Development Authority (IHCDA) to administer funds allocated to the State's Housing Program. The Indiana Housing & Community Development Authority will act as the administrative agent on behalf of the Indiana Office of Community and Rural Affairs. Please refer to the Indiana Housing & Community Development Authority’s portion of this FY 2014 Consolidated Plan for the method of distribution of such subcontracted CDBG funds from the Office of Community and Rural Affairs to the IHCDA.

B. Stellar Communities Program: $ 3,000,000

The State of Indiana will to set aside $3,000,000 of its FY 2014 CDBG funds for the Stellar Communities Program. Indiana’s Stellar Communities Program is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Housing and Community Development Authority (IHCDA), and the Indiana Department of Transportation (INDOT). The Stellar Communities Program is seeking to engage two communities to achieve a three-year revitalization strategy that will leverage unified state investment and funding from the partnering agencies to complete projects comprehensively. In the revitalization strategy communities will identify areas of interest and types of projects, produce a schedule to complete projects, produce cost estimates, identify local match amounts, sources, and additional funding resources, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the community. From this revitalization strategy, communities will produce a three-year community investment plan which will identify capital and quality of life projects to be completed during that period.

Evaluation and selection of the final two communities to the Stellar Communities Program will be based on:

- Summary of Comprehensive Community Revitalization Strategy
- Identify at least one project to be completed in each of the 3 program years. The total number of projects is solely limited to the community's ability to successfully complete the projects;
- Identify/document project cost estimates, local match amounts and sources, and additional funding resources.
- Completion of the site visit checklist from the resource team.
- Document and support the level of need for each project and the significance of each project in the overall revitalization efforts within the community;
- Capacity of the applicant to administer the funds;
- The long-term viability of the strategic community investment plan;

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

All projects funded by IHCDA with CDBG funds will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations. All projects funded by IHCDA with HOME, ESG and/or HOPWA funds will meet the specific requirements set forth by those programs.

C. Planning Fund: $ 1,200,000

The State (Office of Community and Rural Affairs) will set aside $1,200,000 of its FY 2014 CDBG funds for planning-only activities, which are of a project-specific nature. The Office of Community and Rural Affairs will make planning-only grants to units of local government to carry out planning activities eligible under 24 CFR 570.205 of applicable HUD regulations. The Office of Community and Rural Affairs will award such grants on a competitive basis and grant the Office of Community and Rural Affairs will review applications monthly. The Office of Community and Rural Affairs will give priority to applications having planning activities designed to assist the applicable unit of local government in meeting its community development needs by reviewing all possible sources of funding, not simply the Office of Community and Rural Affair's grant programs..

CDBG-funded planning costs will exclude final engineering and design costs related to specific activities which are eligible activities/costs under 24 CFR 570.201-204.

The specific threshold criteria and basis for project point awards for PL grant awards are provided in Attachment D hereto. The Planning Fund (PL) Program shall have a maximum grant amounts as follows:

- Environmental infrastructure studies are limited as follows:

    - $30,000 for a study on a single utility,
    - $40,000 for a study on two utilities, and
    - $50,000 for a master utility study (water, wastewater, and storm water).
- Dam or Levee System Evaluations will be limited to $50,000.
- Comprehensive plans are limited to $40,000.
- Downtown revitalization plans are limited as follows:
    - Populations over 2,000 are limited to $40,000, and
    - Populations under 2,000 are limited to $30,000
- Economic development plans are limited to $40,000.
- Public facilities plans will be limited to $15,000.
- Historic preservation plans will be limited to $15,000.

For the PL Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary. The specific threshold criteria and basis for project point awards for MSRP grant awards are provided in Attachment D hereto.

D. Main Street Revitalization Program: $1,600,000

The Office of Community and Rural Affairs will award Main Street Revitalization Program (MSRP) grants to eligible applicants to assist Indiana communities with activities intended to revitalize their downtown area. Each applicant must meet the following prerequisites:

1) Have a designated Indiana Main Street Organization;
2) The Main Street Organization is in good standing for meeting all the reporting requirements;
3) The Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past year;
4) The Main Street organization is functioning within the Main Street 4 Point Approach of Organization, Design, Economic Restructuring, and Promotion;
5) The Main Street organization has current Work Plans for each of its Committees that have been submitted to Indiana Main Street;
6) The Main Street Organization has a business recruitment/retention plan that is approved by the Indiana Main Street Program;
7) The project must be part of the Main Street Organization’s overall strategy;
8) The Community has completed a downtown revitalization plan within the past five years that meets OCRA’s Minimum Technical Requirements.

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for MSRP grant awards are provided in Attachment E hereto. The Main Street Revitalization Program (MSRP) shall have a maximum grant amount of $400,000.

For the MSRP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

G. Wastewater/Drinking Water Improvements Program: $ 8,282,935

The State of Indiana will set aside $8,282,935 of its FY 2014 CDBG funds for the Wastewater Drinking Water (WDW) Improvements Program.

Applications will be accepted and awards made on a competitive basis one time per year. The Wastewater/Drinking Water Improvements Program (WDW) shall have a maximum grant amount according to the schedules below:

Wastewater
Projects Under $1 million in total project costs

	Rates for 4,000 gallons		
Maximum Grant Amounts	**User Rates (Over $50)**	**User Rates ($30 to $50)**	**User Rates (Under $30)**
Tier III – LMI% 62.0 and higher	$500,000	$450,000	$400,000
Tier II – LMI% 57.0 to 61.9	$450,000	$400,000	$350,000
Tier I – LMI% 51.0 to 56.9	$400,000	$350,000	$300,000

Wastewater
Projects Over $1 million in total project costs

	Rates for 4,000 gallons		
Maximum Grant Amounts	**User Rates (Over $45)**	**User Rates ($25 to $45)**	**User Rates (Under $25)**
Tier III – LMI% 62.0 and higher	$600,000	$550,000	$500,000
Tier II – LMI% 57.0 to 61.9	$550,000	$500,000	$450,000
Tier I – LMI% 51.0 to 56.9	$500,000	$450,000	$400,000

Drinking Water
Projects Under $1 million in total project costs

	Rates for 4,000 gallons		
Maximum Grant Amounts	**User Rates (Over $45)**	**User Rates ($25 to $45)**	**User Rates (Under $25)**
Tier III – LMI% 62.0 and higher	$500,000	$450,000	$400,000
Tier II – LMI% 57.0 to 61.9	$450,000	$400,000	$350,000
Tier I – LMI% 51.0 to 56.9	$400,000	$350,000	$300,000

Drinking Water
Projects Over $1 million in total project costs

	Rates for 4,000 gallons		
Maximum Grant Amounts	**User Rates (Over $45)**	**User Rates ($25 to $45)**	**User Rates (Under $25)**
Tier III – LMI% 62.0 and higher	$600,000	$550,000	$500,000
Tier II – LMI% 57.0 to 61.9	$550,000	$500,000	$450,000
Tier I – LMI% 51.0 to 56.9	$500,000	$450,000	$400,000

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for WWP grant awards are provided in Attachment F hereto.

For the WWP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

H. Comprehensive Site Redevelopment Program: $ 1,000,000

The State of Indiana will to set aside $1,000,000 of its FY 2014 CDBG funds for the Comprehensive Site Redevelopment Program (CSRP). Indiana's CSRP program is a collaborative effort of the Office of Community and Rural Affairs (OCRA) and the Indiana Finance Authority (IFA). The CSRP funding strategy will leverage funding from the partnering agencies to address comprehensive Brownfield remediation and clearance projects.

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for CSRP grant awards are provided in

Attachment G hereto. The Comprehensive Site Redevelopment Program (CSRP) shall have a maximum grant amount of $150,000.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

I. Public Facilities Program: $4,000,000

The State of Indiana will to set aside $4,000,000 of its FY 2014 CDBG funds for the Public Facilities Program (PFP).

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for PFP grant awards are provided in Attachment H hereto.

For the PFP specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

J. Stormwater Improvements Program: $5,000,000

The State of Indiana will to set aside $5,000,000 of its FY 2014 CDBG funds for the Stormwater Improvements Program (SIP).

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for SIP grant awards are provided in Attachment I hereto.

For the SIP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

K. Section 108 Loan Program: Up to $35 million

During FY 2014, the State of Indiana proposes to pledge up to $35,000,000.00 of its present and future allocation(s) of Small Cities CDBG funds as security for Section 108 loan guarantees provided for under Subpart M of 24 CFR Part 570 (24 CFR 570.700). Applications may be submitted at any time during the year, as long as funds are available from HUD. The minimum loan amount is $1,000,000 and the maximum loan amount is $7,000,000. The state may enter into loan guarantee agreements in support of projects sponsored by an individual local government. Project must meet minimum criteria with respect to equity, collateral and underwriting standards. The CDBG Loan Guarantee Program (Section 108 Program) is an economic and community development financing tool authorized under Section 108 of Title I of the Housing and Community Development Act of 1974, as amended. The program provides a method of assisting non-entitlement local governments with certain unique and large-scale economic development projects that cannot proceed without the loan guarantee. In order to be eligible a project must meet all applicable CDBG requirements and result in significant employment opportunities and/or benefits for low- and moderate-income persons. Unlike the traditional CDBG Program, the Section 108 Program does not operate through assistance from the Office of Community and Rural Affairs (OCRA) or Indiana Housing and Community

Development Authority. Rather, funds are raised through OCRA's "Pledge of Grants" to the U.S. Department of Housing and Urban Development (HUD) in order to obtain a federal guarantee of notes issued by the local government. The federally guaranteed notes are sold into private markets through public offerings conducted by HUD. By approving the project, a State pledges its future CDBG funds as the ultimate repayment source should a Section 108 loan default. The State's participation in the Section 108 program does not involve a pledge of Indiana's full faith and credit nor does it commit any funding to the local government. HUD makes the ultimate approval or denial of the federal guarantee.

Only non-entitlement communities that do not receive direct allocations of Community Development Block Grant from the U.S. Department of Housing and Urban Development may apply to the State of Indiana's Community Enhancement and Economic Development Fund, or CEED Fund, and applications for loans from the CEED fund may be only for the project types listed in the CEED Loan Program Guidelines. The total maximum amount of CEED financing that an eligible public entity may receive is limited to $7,000,000. A minimum loan request of $1,000,000 is required.

L. The Urgent Need Fund: $0

The Urgent Need Fund will be available to eligible applicants on a continuing basis. These activities must be eligible for funding under the "urgent need" national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

The Urgent Need Fund will be available to eligible applicants to meet an imminent threat to the health and safety of local populations. The grants may be funded as made available through the Public Facilities Program or reversions when not budgeted from the annual allocation. Special selection factors include need, proof of recent threat of a catastrophic nature, statement of declared emergency and inability to fund through other means. Projects will be developed with the assistance of the Office of Community and Rural Affairs as a particular need arises. To be eligible, these projects and their activities must meet the "urgent need" national objective of Section 104(b)(3) of the Federal Act. Generally, projects funded are those, which need immediate attention and are, therefore, inappropriate for consideration under OCRA's regular programs. The types of projects, which typically receive funding, are municipal water systems (where the supply of potable water has been threatened by severe weather conditions) and assistance with demolition or cleanup after a major fire, flood, or other natural disaster. Although all projects will be required to meet the "urgent need" national objective, the Office of Community and Rural Affairs may choose to actually fund the project under one of the other two national objectives, if it deems it expedient to do so. Applicants must adequately document that other financial resources are not available to meet such needs pursuant to Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of HUD regulations.

Only that portion of a project, which addresses an immediate need, should be addressed. This is particularly true of municipal water or sewer system projects, which tend to need major reinvestment in existing plants or facilities, in addition to the correction of the immediate need. The amount of grant award is determined by the individual circumstances surrounding the request for emergency funds. A community may be required to provide a match through cash, debt or provision of employee labor.

The eligibility of any project is at the full discretion of the Office of Community and Rural Affairs.

M. Technical Assistance Set-aside: $280,236

Pursuant to the federal Housing and Community Development Act (Federal Act), specifically Section 106(d)(5), the State of Indiana is authorized to set aside up to one percent (1%) of its total allocation for technical assistance activities. The amount set aside for such Technical Assistance in the State's FY 2014 Consolidated Plan is $280,236, which constitutes one-percent (1%) of the State's FY 2014 CDBG allocation of $28,023,644. The State of Indiana reserves the right to set aside up to one percent (1%) of open prior-year funding amounts for the costs of providing technical assistance on an as-needed basis.

The amount set aside for the Technical Assistance Program will not be considered a planning cost as defined under Section 105(a)(12) of the Federal Act or an administrative cost as defined under Section 105(a)(13) of the Federal Act. Accordingly, such amounts set aside for Technical Assistance will not require matching funds by the State of Indiana. The Department reserves the right to transfer a portion or all of the funding set aside for Technical Assistance to another program hereunder as deemed appropriate by the Office of Community and Rural Affairs, in accordance with the "Program Amendments" provisions of this document. The Technical Assistance Program is designed to provide, through direct Office of Community and Rural Affairs staff resources or by contract, training and technical assistance to units of general local government, nonprofit and for-profit entities relative to community and economic development initiatives, activities and associated project management requirements.

1. **Distribution of the Technical Assistance Program Set-aside:** Pursuant to HUD regulations and policy memoranda, the Office of Community and Rural Affairs may use alternative methodologies for delivering technical assistance to units of local government and nonprofits to carry out eligible activities, to include:

   a. Provide the technical assistance directly with Office of Community and Rural Affairs or other State staff;
   b. Hire a contractor to provide assistance;
   c. Use sub-recipients such as Regional Planning Organizations as providers or securers of the assistance;
   d. Directly allocate the funds to non-profits and units of general local governments to secure/contract for technical assistance.
   e. Pay for tuition, training, and/or travel fees for specific trainees from units of general local governments and nonprofits;
   f. Transfer funds to another state agency for the provision of technical assistance; and,
   g. Contracts with state-funded institutions of higher education to provide the assistance.

2. **Ineligible Uses of the Technical Assistance Program Set-aside:** The 1% set-aside may not be used by the Office of Community and Rural Affairs for the following activities:

   a. Local administrative expenses not related to community development;
   b. Any activity that cannot be documented as meeting a technical assistance need;
   c. General administrative activities of the State not relating to technical assistance, such as monitoring state grantees, rating and ranking State applications for CDBG assistance, and drawing funds from the Office of Community and Rural Affairs; or,
   d. Activities that are meant to train State staff to perform state administrative functions, rather than to train units of general local governments and non-profits.

N. Administrative Funds Set-aside: $660,473

The State (Office of Community and Rural Affairs) will set aside $660,473 of its FY 2014 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount ($660,473) constitutes two-percent (2%) of the State’s FY 2014 CDBG allocation ($560,473), plus an amount of $100,000 ($28,023,644 X 0.02 = $560,473 + $100,000 = $660,473). The amount constituted by the 2% set aside ($560,473) is subject to the $1-for-$1 matching requirement of HUD regulations. The $100,000 supplement is not subject to state match. These funds will be used by the Office of Community and Rural Affairs for expenses associated with administering its State CDBG Program, including direct personal services and fringe benefits of applicable Office of Community and Rural Affairs staff, as well as direct and indirect expenses incurred in the proper administration of the state’s program and monitoring activities respective to CDBG grants awarded to units of local government (i.e. telephone, travel, services contractual, etc.). These administrative funds will also be used to pay for contractors hired to assist the Office of Community and Rural Affairs in its consolidated planning activities.

PRIOR YEARS' METHODS OF DISTRIBUTION

This Consolidated Plan, statement of Method of Distribution is intended to amend all prior Consolidated Plans for grant years where funds are still available to reflect the new program designs. The Methods of Distribution described in this document will be in effect commencing on July 1, 2014, and ending June 30, 2014, unless subsequently amended, for all FY 2014 CDBG funds as well as remaining residual balances of previous years' funding allocations, as may be amended from time to time subject to the provisions governing "Program Amendments" herein. The existing and amended program budgets for each year are outlined below (administrative fund allocations have not changed and are not shown below). Adjustments in the actual dollars may occur as additional reversions become available.

At this time there are only nominal funds available for reprogramming for prior years' funds. If such funds should become available, they will be placed in the Wastewater/Drinking Water Improvements Program (WDW). This will include reversions from settlement of completed grantee projects, there are no fund changes anticipated. For prior years' allocations there is no fund changes anticipated. Non-expended funds, which revert from the financial settlement of projects funded from other programs, will be placed in the WDW fund.

PROGRAM APPLICATION

The Planning Fund/Program (PL) will be conducted through a single-stage, continuous application process throughout the program year. The application process for the Stellar Communities Program, Wastewater/Drinking Water Program (WDW), Public Facilities Program (PFP), Stormwater Improvements Program (SIP), the Comprehensive Site Redevelopment Program (CSRP) and the Main Street Revitalization Program (MSRP) will be a single competitive application process. Eligible applicants will first submit a short program proposal or letter of intent for such grants. After submitting proposal, eligible projects under the Federal Act will be invited to submit a full application. For each program, the full application will be reviewed and evaluated. The Office of Community and Rural Affairs, as applicable, will provide technical assistance to the communities in the development of proposals and full applications.

An eligible applicant may submit only one application per cycle, per program. Additional applications may be submitted under the other state programs. The Office of Community and Rural Affairs reserves the right to negotiate Planning-Only grants with applicants for applications lacking a credible readiness to proceed on the project or having other planning needs to support a construction project.

OTHER REQUIREMENTS

While administrative responsibility for the Small Cities CDBG program has been assumed by the State of Indiana, the State is still bound by the statutory requirements of the applicable legislation passed by Congress, as well as federal regulations promulgated by the U. S. Department of Housing and Urban Development (HUD) respective to the State's CDBG program as codified under Title 24, Code of the Federal Register. HUD has passed on these responsibilities and requirements to the State and the State is required to provide adequate evidence to HUD that it is carrying out its legal responsibilities under these statutes.

As a result of the Federal Act, applicants who receive funds through the Indiana Office of Community and Rural Affairs selection process will be required to maintain a plan for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities. Applicants are required to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance under this program to acquire or substantially rehabilitate property. The State has adopted standards for determining reasonable relocation benefits in accordance with HUD regulations.

CDBG "Program Income" may be generated as a result of grant implementation. The State of Indiana may enter into an agreement with the grantee in which program income is retained by the grantee for eligible activities. Federal guidelines require that program income be spent prior to requesting additional draw downs. Expenditure of such funds requires prior approval from the Office of Community and Rural Affairs (OCRA). The State (Office of Community and Rural Affairs) will follow HUD regulations set forth under 24 CFR 570.489(e) respective to the definition and expenditure of CDBG Program Income.

All statutory requirements will become the responsibility of the recipient as part of the terms and conditions of grant award. Assurances relative to specific statutory requirements will be required as part of the application package and funding agreement. Grant recipients will be required to secure and retain certain information, provide reports and document actions as a condition to receiving funds from the program. Grant management techniques and program requirements are explained in the OCRA's CDBG Grantee Implementation Manual, which is provided to each grant recipient.

Revisions to the Federal Act have mandated additional citizen participation requirements for the State and its grantees. The State has adopted a written Citizen Participation Plan, which is available for interested citizens to review. Applicants must certify to the State that they are following a detailed Citizen Participation Plan which meets Title I requirements. Technical assistance will be provided by the Office of Community and Rural Affairs to assist program applicants in meeting citizen participation requirements.

The State has required each applicant for CDBG funds to certify that it has identified its housing and community development needs, including those of low and moderate income persons and the activities to be undertaken to meet those needs.

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (OCRA)

The Indiana Office of Community and Rural Affairs intends to provide the maximum technical assistance possible for all of the programs to be funded from the CDBG program. Lieutenant Governor Sue Ellsperman heads the Office of Community and Rural Affairs. Principal responsibility for the CDBG program is vested in Kathleen Weissenberger, Director of Grant Services for OCRA. The Office of Community and Rural Affairs also has the responsibility of administering compliance activities respective to CDBG grants awarded to units of local government.

Primary responsibility for providing "outreach" and technical assistance for the Stellar Communities Program, Main Street Revitalization Fund, Wastewater/Drinking Water Program, Public Facilities Program, Stormwater Improvements Program, Comprehensive Site Redevelopment Program and the Planning Fund process resides with the Office of Community and Rural Affairs. Primary responsibility for providing "outreach" and technical assistance for the Housing award process resides with the Indiana Housing & Community Development Authority who will act as the administrative agent on behalf of the Indiana Office of Community and Rural Affairs.

The Business Office will provide internal fiscal support services for program activities, development of the Consolidated Plan and the CAPER. The Office of Community and Rural Affairs has the responsibilities for CDBG program management, compliance and financial monitoring of all CDBG programs. The Indiana State Board of Accounts pursuant to the federal Office of Management and Budget Circular A-133 will conduct audits. Potential applicants should contact the Office of Community and Rural Affairs with any questions or inquiries they may have concerning these or any other programs operated by the Office of Community and Rural Affairs.

Information regarding the past use of CDBG funds is available at the:

Indiana Office of Community and Rural Affairs
Director of Grant Services
One North Capitol, Suite 600

Indianapolis, Indiana 46204-2288
Telephone: 1-800-824-2476
FAX: (317) 233-6503

ATTACHMENT A

DEFINITIONS

Low and moderate income - is defined as 80% of the median family income (adjusted by size) for each county. For a county applicant, this is defined as 80% of the median income for the state. The income limits shall be as defined by the U. S. Department of Housing and Urban Development Section 8 Income Guidelines for "low income families." Certain persons are considered to be "presumptively" low and moderate income persons as set forth under 24 CFR 570.208(a)(2); inquiries as to such presumptive categories should be directed to the OCRA's Grants Management Office, Attention: Ms. Beth Goeb at (317) 232-8831.

Matching funds - local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds required for CDBG projects is either ten-percent (10%) or twenty-percent (20%), based on program, of the **total estimated project costs**. This percentage is computed by adding the proposed grant amount and the local matching funds amount, and dividing the local matching funds amount by the total sum of the two amounts. The definition of match includes a maximum of 5% pre-approved and validated in-kind contributions. The balance of the match requirement must be in the form of either cash or debt. Any in-kind over and above the specified 5% may be designated as local effort. Other funds provided to applicants by the Office of Community and Rural Affairs are not eligible for use as matching funds.

Proposal (synonymous with "pre-application") - A document submitted by a community which briefly outlines the proposed project, the principal parties, and the project budget and how the proposed project will meet a goal of the Federal Act. If acceptable, the community may be invited to submit a full application.

Reversions - Funds placed under contract with a community but not expended for the granted purpose because expenses were less than anticipated and/or the project was amended or canceled and such funds were returned to the Office of Community and Rural Affairs upon financial settlement of the project.

Slums or Blight - an area/parcel which: (1) meets a definition of a slum, blighted, deteriorated, or deteriorating area under state or local law (Title 36-7-1-3 of Indiana Code); and (2) meets the requirements for "area basis" slum or blighted conditions pursuant to 24 CFR 570.208(b)(1) and 24 CFR 570.483(c)(1), or "spot basis" blighted conditions pursuant to 24 CFR 570.208(b)(2) and 24 CFR 570.483(c)(2).

Urgent Need - is defined as a serious and immediate threat to health and welfare of the community. The Chief Elected Official must certify that an emergency condition exists and requires immediate resolution and that alternative sources of financing are not available. An application for CDBG funding under the "urgent need" CDBG national objective must adhere to all requirements for same set forth under 24 CFR 570.208(c) and 24 CFR 570.483(d).

ATTACHMENT B

DISPLACEMENT PLAN

1. The State shall fund only those applications, which present projects and activities, which will result in the displacement of as few persons or businesses as necessary to meet the goals and objectives of the state and local CDBG-assisted program.

2. The State will use this criterion as one of the guidelines for project selection and funding.

3. The State will require all funded communities to certify that the funded project is minimizing displacement.

4. The State will require all funded communities to maintain a local plan for minimizing displacement of persons or businesses as a result of CDBG funded activities, pursuant to the federal Uniform Relocation and Acquisitions Policies Act of 1970, as amended.

5. The State will require that all CDBG funded communities provide assistance to all persons displaced as a result of CDBG funded activities.

6. The State will require each funded community to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the CDBG funded program.

ATTACHMENT C

GENERAL SELECTION CRITERIA

The Office of Community and Rural Affairs (OCRA) will consider the following general criteria when evaluating a project proposal. Although projects will be reviewed for this information at the proposal stage, no project will be eliminated from consideration if the criteria are not met. Instead, the community will be alerted to the problem(s) identified. Communities must have corrected any identified deficiencies by the time of application submission for that project to be considered for funding.

A. General Criteria (all programs - see exception for program income and housing projects through the IHCDA in 7 below):

1. The applicant must be a legally constituted general purpose unit of local government and eligible to apply for the state program.

2. The applicant must possess the legal capacity to carry out the proposed program.

3. If the applicant has previously received funds under CDBG, they must have successfully carried out the program. An applicant must not have any overdue closeout reports, State Board of Accounts OMB A-133 audit findings or unresolved OCRA/IHCDA monitoring findings (where the community is responsible for resolution.) Any determination of "overdue" is solely at the discretion of the Indiana Office of Community and Rural Affairs.

4. An applicant must not have any overdue CDBG semi-annual Grantee Performance Reports, subrecipient reports or other reporting requirements of the OCRA/IHCDA. Any determination of "overdue" is solely at the discretion of the Indiana Office of Community and Rural Affairs.

5. The applicant must clearly show the manner in which the proposed project will meet one of the three national CDBG objectives and meet the criteria set forth under 24 CFR 570.483.

6. The applicant must show that the proposed project is an eligible activity under the Act.

7. The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Office of Community and Rural Affairs; EXCEPTION – these general criteria will not apply to applications made directly to the Indiana Housing & Community Development Authority (IHCDA) for CDBG-funded housing projects.

8. To be eligible to apply at the time of application submission, an applicant must not have any:

    a. Overdue grant reports, sub-recipient reports or project closeout documents; or

    b. More than one open or pending CDBG grant from the Office (Indiana cities and incorporated towns);

    c. For those applicants with an open CFF, MSRP, WDW, PFP, SIP or CSRP a "Notice of Release of Funds and Authorization to Incur Costs" must have been issued for the construction activities under the open CFF, MSRP, WDW, PFP, SIP or CSRP contract, and a contract for construction of the principal (largest funding amount) construction line item (activity) must have been executed prior to the deadline established by OCRA for receipt of applications for funding.

    d. For those applicants who have open Planning Fund grants, the community must have final plan approved by the Office of Community and Rural Affairs prior to submission of a CFF, MSRP, SCP, WDW, PFP, CSRP or SIP application for the project.

e. An Indiana county may have two (2) open CDBG grants and apply for a third grant. A county may have only three (3) open CDBG grants. All criteria outlined in c and d above must be met.

9. The cost/beneficiary ratio for all CDBG funds will be maintained at $5,000. Housing related projects are to be submitted directly to the Indiana Housing & Community Development Authority (IHCDA) under its programs.

10. Required leveraging based on program (as measured against the CDBG project, see definitions) must be proposed. The Indiana Office of Community and Rural Affairs may rule on the suitability and eligibility of such leveraging.

11. The applicant may only submit one proposal or application per round per program. Counties may submit either for their own project or an “on-behalf-of” application for projects of other eligible applicants within the county. However, no application will be invited from an applicant where the purpose is clearly to circumvent the “one application per round” requirement for other eligible applicants.

12. The application must be complete and submitted by the announced deadline.

C. Housing Programs: Refer to Method of Distribution for Indiana Housing & Community Development Authority within this FY 2014 Consolidated Plan

GRANT EVALUATION CRITERIA
Planning Grant Program (PL)
750 POINTS TOTAL

Planning Grant (PL) applications must achieve a minimum score of 450 points (60%) to be eligible for award.

<u>NATIONAL OBJECTIVE SCORE (200 POINTS):</u>

Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

1. National Objective = Benefit to Low- and Moderate-Income Persons: 200 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

National Objective Score = % Low/Mod Beneficiaries X 2.5

The point total is capped at 200 points or 80% low/moderate beneficiaries, i.e., a project with 80% or greater low/moderate beneficiaries will receive 200 points. Below 80% benefit to low/moderate-income persons, the formula calculation will apply.

2. National Objective = Prevention or Elimination of Slums or Blight: 200 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

National Objective Score = (Total of the points received in each category below) X 2.5

___ Applicant has a Slum/Blight Resolution for project area (50 pts.)

___ The project site is a brownfield* (10 pts.)

___ The building or district is listed on the Indiana or National Register of Historic Places** (10 pts.)

___ The building or district is eligible for listing on the Indiana or National Register of Historic Places** (10 pts.)

___ The building is on the Historic Landmarks Foundation of Indiana's "10 Most Endangered List" (15 pts.)

* The State of Indiana defines a brownfield as an industrial or commercial property that is abandoned, inactive, or underutilized, on which expansion or redevelopment is complicated due to actual or perceived environmental contamination.

Project may either be listed on **<u>or</u> eligible for listing on the Indiana or National Register of Historic Places. ***Both cannot be checked.***

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

0- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 7 years since previous funding – 50pts

Example:
Community submits and receives a PL award for a Master Utility Study in May 2009. When applying for a Water Utility Study in March of 2015, they would be subject to a point reduction of 50pts. In July of 2016 they would have no point reduction.

GRANT EVALUATION CRITERIA – 700 POINTS TOTAL
Main Street Revitalization Program (MSRP)

Main Street Revitalization Program applications (MSRP) must achieve a minimum score of 400 points to be eligible for award.

THRESHOLD REQUIREMENTS:

Each applicant must meet the following prerequisites:

1) Have a designated Indiana Main Street Organization;
2) The Main Street Organization is in good standing for meeting all the reporting requirements;
3) The Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past year;
4) The Main Street organization is functioning within the Main Street 4 Point Approach of Organization, Design, Economic Restructuring, and Promotion;
5) The Main Street organization has current Work Plans for each of its Committees that have been submitted to Indiana Main Street;
6) The Main Street Organization has a business recruitment/retention plan that is approved by the Indiana Main Street Program;
7) The project must be part of the Main Street Organization's overall strategy;
8) The Community has completed a downtown revitalization plan within the past five years that meets OCRA's Minimum Technical Requirements.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (100 POINTS):

A maximum of 100 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 2

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

MAIN STREET SCORE (50 POINTS):

Main Street Score: 50 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

___ Community is designated as a Nationally Accredited Indiana Main Street Organization. (20 pts.)

___ The Main Street Organization has a long-term Strategic Plan. (10 pts.)

___ The district is listed on the Indiana or National Register of Historic Places** (10 pts.)

___ The district is eligible for listing on the Indiana or National Register of Historic Places** (5 pts.)

___ The Main Street Organization has a fundraising plan in place. (5 pts.)

Project may either be listed on **or eligible for listing on the Indiana or National Register of Historic Places. ***Both cannot be checked.***

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

PROJECT SUSTAINABILITY (50 POINTS):

A maximum of 50 points for the establishment of a (or documentation of existing) permanent Main Street Fund to be used for ongoing downtown revitalization activities such as a revolving loan program, grant program, events, etc.

0 points – under $3,000 philanthropic fund
25 points - $3,000-$5,000 philanthropic fund
50 points - $5,000 or higher philanthropic fund

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

0- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type.

A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction.

MSRP Point Reduction Policy
0-7 years since previous funding – 50 pts

Example:
Community submits and receives a MSRP award for a streetscape project in 2014. When applying for facade rehabilitation in 2021, they would be subject to a point reduction of 50 points. In 2022 they would have no point reduction.

GRANT EVALUATION CRITERIA
600 POINTS TOTAL

Wastewater/Drinking Water Program (WDW) applications must achieve a minimum score of 360 points to be eligible for award.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (100 POINTS):

A maximum of 100 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 100 points or 100% match, i.e., a project with 75% match will receive 75 points.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects. **<u>Applicants should address all Project Development Issues associated with their project type</u>.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

<u>FINANCIAL GAP (25 POINTS):</u>

A maximum of 25 points awarded per $1.00 in financial gap.

OCRA GAP CALCULATION

1. Grant Amount Requested	____________
2. Debt Coverage Factor (assume 25%)	____________
3. Total Funds Needed (multiply line 1 by 1.25)	____________
4. Amortization Constant (4.5% APR)	.00633
5. Monthly Payment (multiply line 3 by line 4)	____________
6. O/M Cost Factor (multiply line 5 by .05)	____________
7. Total Monthly Costs (add lines 5 and 6)	____________
8. Number of Users	____________
9. Monthly Rate Impact (divide line 7 by line 8)	____________

The result on line 9 should give you the amount that your community would have to increase the monthly rate charged to each customer without grant assistance, given the above assumptions. This is the "gap", which is the amount by which grant funds will reduce or "buy down" your utility rates. <u>This amount added to the actual rates anticipated with OCRA grant funds will give you the rates needed "without OCRA grant funds".</u>

<u>POINTS REDUCTION POLICY:</u>

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction.

0 – 7 years since previous funding – 50pts

Example:
Community submits and receives a CDBG award for a new water tower in 2014. When applying for a project consisting of replacing water lines in 2018, they would be subject to a point reduction of 50pts. In 2020 they would be subject to a point reduction of 25pts. In 2021 they would have no point reduction.

GRANT EVALUATION CRITERIA
600 POINTS TOTAL

Comprehensive Site Redevelopment Program (CSRP) clearance/demotion applications are accepted on a competitive basis. All applications must achieve a minimum score of 360 points to be eligible for award.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their**

project type. Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

IFA REGISTRY (25 POINTS):

A maximum of 25 points awarded for projects listed on the IFA Brownfield registry (site registration number) which indicates prior involvement of the Indiana Brownfield Program.

SITE DEVELOPMENT PLAN (50 POINTS):

A maximum of 50 points will be awarded for projects that have a site development plan for the future use of the Brownfield site.

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 7 years since previous funding – 50pts

GRANT EVALUATION CRITERIA
700 POINTS TOTAL

Public Facilities Program (PFP) applications must achieve a minimum score of 420 points to be eligible for award.

NATIONAL OBJECTIVE SCORE (100 POINTS):

Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

National Objective = Benefit to Low- and Moderate-Income Persons: 100 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

National Objective Score = % Low/Mod Beneficiaries

The point total is capped at 100 points or 100% low/moderate beneficiaries, i.e., a project with 100% or greater low/moderate beneficiaries will receive 100 points. Below 100% benefit to low/moderate-income persons, the formula calculation will apply.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services

Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

1- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

COMMUNITY FACILITY PHILANTHROPIC FUND (50 POINTS):

A maximum of 50 points for the establishment of a (or documentation of existing) permanent Community Facility Philanthropic Fund, to be used for ongoing operation and maintenance activities.

0 points – under $3,000 philanthropic fund
25 points - $3,000-$5,000 philanthropic fund
50 points - $5,000 or higher philanthropic fund

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 7 years since previous funding – 50pts

Example:
Community submits and receives a PFP award for a new library in 2014. When applying for the construction of a library addition in 2019, they would be subject to a point reduction of 50pts. In 2021 they would be subject to a point reduction of 25pts. In 2022 they would have no point reduction.

GRANT EVALUATION CRITERIA
700 POINTS TOTAL

Stormwater Improvements Program (SIP) applications must achieve a minimum score of 420 points to be eligible for award.

NATIONAL OBJECTIVE SCORE (100 POINTS):

Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

National Objective = Benefit to Low- and Moderate-Income Persons: 100 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

National Objective Score = % Low/Mod Beneficiaries

The point total is capped at 100 points or 100% low/moderate beneficiaries, i.e., a project with 100% or greater low/moderate beneficiaries will receive 100 points. Below 100% benefit to low/moderate-income persons, the formula calculation will apply.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (75 POINTS):

A maximum of 75 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 75 points or 75% match, i.e., a project with 75% match or greater will receive 75 points. Below 75% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

SUSTAINABILITY (50 POINTS):

A maximum of 50 points for the establishment of, or documentation of existing sustainability plan for the ongoing operation and maintenance activities of the stormwater system.

0 points – under $3 monthly stormwater utility user rate
25 points – $3-$5 monthly stormwater utility user rate
50 points - $5 or higher monthly stormwater utility user rate

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction.

0 – 7 years since previous funding – 50pts

Example:
Community submits and receives a SIP award for a stormwater system project in 2014. When applying for a SIP project in 2018, they would be subject to a point reduction of 50pts. In 2020 they would be subject to a point reduction of 25pts. In 2021 they would have no point reduction.

CITIZEN PARTICIPATION PLAN
INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (STATE)

The State of Indiana, Office of Community and Rural Affairs, pursuant to 24 CFR 91.115, 24 CFR 570.431 and 24 CFR 570.485(a) wishes to encourage maximum feasible opportunities for citizens and units of general local government to provide input and comments as to its Methods of Distribution set forth in the Office of Community and Rural Affairs' annual Consolidated Plan for CDBG funds submitted to HUD as well as the Office of Community and Rural Affairs' overall administration of the State's Small Cities Community Development Block Grant (CDBG) Program. In this regard, the Office of Community and Rural Affairs will perform the following:

1. Require each unit of general local government to comply with citizen participation requirements for such governmental units as specified under 24 CFR 570.486(a), to include the requirements for accessibility to information/records and to furnish citizens with information as to proposed CDBG funding assistance as set forth under 24 CFR 570.486(a)(3), provide technical assistance to representatives of low-and-moderate income groups, conduct a minimum of two (2) public hearings on proposed projects to be assisted by CDBG funding, such hearings being accessible to handicapped persons, provide citizens with reasonable advance notice and the opportunity to comment on proposed projects as set forth in Title 5-3-1 of Indiana Code, and provide interested parties with addresses, telephone numbers and times for submitting grievances and complaints.

2. Consult with local elected officials and the Office of Community and Rural Affairs Grant Administrator Networking Group in the development of the Method of distribution set forth in the State's Consolidated Plan for CDBG funding submitted to HUD.

3. Publish a proposed or "draft" Consolidated Plan and afford citizens and units of general local government the opportunity to comment thereon.

4. Furnish citizens and units of general local government with information concerning the amount of CDBG funds available for proposed community development and housing activities and the range/amount of funding to be used for these activities.

5. Hold one (1) or more public hearings respective to the State's proposed/draft Consolidated Plan, on amendments thereto, duly advertised in newspapers of general circulation in major population areas statewide pursuant to I.C. 5-3-1-2 (B), to obtain the views of citizens on proposed community development and housing needs. The Consolidated Plan Committee published the enclosed legal advertisement to thirteen (13) regional newspapers of general circulation statewide respective to the public hearings held on the 2014 Consolidated Plan. In addition, this notice was distributed by email to over 1,000 local officials, non-profit entities, and interested parties statewide in an effort to maximize citizen participation in the FY 2014 consolidated planning process:

The Republic, Columbus, IN
The Corydon Democrat and Clarian News, Corydon, IN
Indianapolis Star, Indianapolis, IN
The Journal-Gazette, Fort Wayne, IN
The Salem Leader and Salem Democrat, Salem, IN
Scott County Journal, Scottsburg, IN
The News and Tribune, Jeffersonville, IN
The Chronicle-Tribune, Wabash, IN
Gary Post Tribune, Gary, IN
Tribune Star, Terre Haute, IN
Journal & Courier, Lafayette, IN
Evansville Courier, Evansville, IN
South Bend Tribune, South Bend, IN
Palladium-Item, Richmond, IN
The Times, Munster, IN
The Star Press, Muncie, IN

6. Provide citizens and units of general local government with reasonable and timely access to records regarding the past and proposed use of CDBG funds.

7. Make the Consolidated Plan available to the public at the time it is submitted to HUD, and;

8. Follow the process and procedures outlined in items 2 through 7 above with respect to any amendments to a given annual CDBG Consolidated Plan and/or submission of the Consolidated Plan to HUD.

In addition, the State also will solicit comments from citizens and units of general local government on its CDBG Performance Review submitted annually to the U.S. Department of Housing and Urban Developments (HUD). Prior to its submission of the Review to HUD, the State will advertise regionally statewide (pursuant to I.C. 5-3-1) in newspapers of general circulation soliciting comments on the Performance and Evaluation Report.

The State will respond within thirty (30) days to inquiries and complaints received from citizens and, as appropriate, prepare written responses to comments, inquiries or complaints received from such citizens.

HOME Program Requirements

Application Process

Overview

The purpose of this application is to provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation and/or new construction of single-family housing or rental housing for low and moderate-income people. Through this program, IHCDA seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate HOME Investment Partnership Program (HOME) funds to be used for the rehabilitation and/or new construction of single family homes or rental housing among selected applicants having projects that meet the requirements of the program and IHCDA's goals for the program.

1. Demonstrate they are meeting the needs of their specific community.
2. Attempt to reach low and very low-income levels of area median income.
3. Are ready to proceed with the activity upon receipt of the award.
4. Propose to revitalize existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan).
5. Propose projects that promote aging in place strategies for seniors and families with seniors.
6. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.
7. Propose the use of state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and/or Service Disabled Veteran Owned Small Business (SDVOSB) contractors, employees, and products when applicants are planning and undertaking their housing activities.

Funding Round Timeline

Note: This is an anticipated schedule and is subject to change or extension.

Application Webinar	August 5, 2013
Application Due Date	September 6, 2013
Award Announcements	October 24, 2013
Award Workshop	November 2013

Application Webinar

An application webinar will be conducted prior to each application deadline. During the webinar, the IHCDA Real Estate Production Department staff will describe the requirements of the HOME program, threshold and scoring criteria, how to complete the required forms and how to utilize the FTP site. Local Units of Government and Not-for-Profit entities intending to apply are *strongly encouraged* to attend.

Technical Assistance

The applicant may, but is not required, to schedule a technical assistance meeting with its regional IHCDA Real Estate Production Analyst to discuss both the proposed project and IHCDA's application process. Technical assistance may be required at IHCDA's discretion if the recipient does not have experience with IHCDA awards or if past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

Application Submission

The applicant must submit the following items to IHCDA's Real Estate Department Coordinator:

- Via FTP site:
  - One completed copy of the final application forms
  - All supporting documents required in the tabs
- Via hard copy:
  - One completed copy of the final application forms with original signatures

All required application items are due no later than 5:00 p.m. Eastern Standard time on or before the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Instructions on how to utilize the FTP site will be explained during the Application Webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: HOME Application
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

IHCDA will provide the applicant contact with a confirmation number within one (1) week of receipt of the application.

Application Review

Each application must address only one project. Applications are reviewed in a three-step process:

Step One - Completeness	On or before the application deadline, the applicant must provide all required documents, signatures and attachments.
Step Two - Threshold	The application must meet each of the applicable threshold criteria. After initial threshold review, IHDCA staff may contact an applicant to request clarification of information contained in the pending application. The applicant will have the opportunity to respond on or before the due date provided by IHCDA. If the applicant does not respond to the clarification letter and therefore threshold item(s) are still in question, the application will be disqualified. Applications may have no more than three outstanding clarifications after the second review or the application will be disqualified. Points will be awarded to those applications where no clarifications are required.
Step Three - Scoring	Applications that pass the completeness and threshold reviews are then scored according to IHCDA's published scoring criteria.

Funded applications will be announced at the published IHCDA Board Meeting date. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified by IHCDA via a denial letter and score sheets being uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications not funded will not be rolled over into the next funding round.

Projects will be considered under a rental or homebuyer will complete the same application. For purposes of funding, projects will be considered under a rental or homebuyer set-aside. Approximately seventy five percent (75%) of IHCDA HOME funds will be allocated for rental projects and twenty five percent (25%) will be allocated for homebuyer projects.

CDBG & HOME Award Compliance Manual
The Award Compliance Manual outlines the requirements for administering IHCDA's HOME awards. . In addition, recipients of funding for rental projects should refer to the *Federal Programs Ongoing Rental Compliance Manual* for information about compliance during the affordability period. Complete copies of both these Compliance Manuals are available on IHCDA's website at http://www.in.gov/myihcda/2342.htm

Award Compliance Trainings
IHCDA will offer a training to explain the various aspects of the regulatory requirements for administering the award. Topics covered will include funds management, required record keeping, and forms and reports that must be submitted to IHCDA. In addition, IHCDA staff will be available to provide one-on-one award trainings upon request. All new applicants and those who have had difficulty administering awards in the past are strongly encouraged to take advantage of these trainings.

Eligible Applicants

HOME Investment Partnerships Program (HOME)	Cities, Town, and Counties (Non-HOME Participating Jurisdiction)	Community Housing Development Organizations (CHDO)	501(c)3 and 501(c)4 Not-for-Profit Organizations and PSAs	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Housing Rehabilitation or New Construction	X	X	X	X	Not eligible
Rental Rehabilitation or New Construction	X	X	X	X	Not eligible
Homebuyer Rehabilitation or New Construction	X	X	X	X	Not eligible

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of the following participating jurisdictions. Applications from, or housing activities located within, the following participating jurisdictions are NOT eligible for HOME funds:

Anderson	Gary	Muncie
Bloomington	Hammond	South Bend Consortium***
East Chicago	Indianapolis*	Terre Haute
Evansville	Lake County	
Fort Wayne	Lafayette Consortium**	

*Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is outside of Marion County.

**Lafayette Consortium is made up of the Cities of Lafayette and West Lafayette and the unincorporated areas of Tippecanoe County. Other incorporated areas are eligible to receive assistance.

***South Bend Consortium is made up of the Cities of South Bend and Mishawaka and the unincorporated areas of St. Joseph County. Other incorporated areas are eligible to receive assistance.

Ineligible Applicants

IHCDA reserves the right to disqualify from funding any application that has either an applicant, subrecipient, administrator, preparer or related parties of any of the aforementioned has a history of disregarding the policies, procedures, or staff directives associated with administering any program administered by IHCDA or programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, or the Federal Home Loan Bank.

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in the Compliance Manual Chapter 17.

Religious and Faith-Based Organizations

Organizations that are religious or faith-based are eligible to participate in the HOME programs on the same basis as any other organization. Organizations that are directly funded under the HOME program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation must be voluntary for the beneficiaries of the assistance provided.

A religious organization that participates in the HOME program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct HOME funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, a HOME-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents. An organization that participates in the HOME program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

Eligible Activities & Program Requirements

Eligible Activities

This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation and/or new construction of single-family housing or rental housing. Acquisition only is not an eligible activity; however acquisition in conjunction with another activity is permitted.

- Rehabilitation and/or new construction of rental housing in the form of traditional apartments or single room occupancy units (SROs).
  - SRO housing consists of single room dwelling units that are the primary residence of the occupant(s). If the activity consists of new construction, conversion of non-residential space, or reconstruction, then SRO units must contain both food prep and sanitary facilities). For activities involving acquisition or rehabilitation of an existing residential structure, neither kitchen nor bathroom facilities are required to be in each unit. However, if individual units do not contain bathroom facilities, the building must contain bathroom facilities that are shared by tenants. SRO housing does not include facilities for students.
- Acquisition, rehabilitation and/or new construction of single-family housing.
- If HOME funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence within twelve (12) months of the demolition or acquisition.
- Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
  - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
    - Shall have been constructed after January 1, 1981, and must exceed nine hundred fifty (950) square feet of occupied space per I.C. 36-7-4-1106 (d);
    - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
    - Has wheels, axles and towing chassis removed;
    - Has a pitched roof;
    - Consists of two (2) or more sections which, when joined, have a minimum dimension of 20' X 47.5' enclosing occupied space; and
    - Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
    - All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCDA.

Ineligible Activities

Eligible housing activities **do not** include:

- Performing owner-occupied rehabilitation;

- Permanent Supportive Housing projects except for proposed projects that have successfully completed the Indiana Permanent Supportive Housing Institute. Permanent Supportive Housing projects will also be funded through the Rental Housing Tax Credit (RHTC) program.
- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- Rehabilitation of mobile homes;
- Acquisition, rehabilitation, or new construction located within the boundaries of a one hundred (100)-year floodplain;
- Acquisition, rehabilitation or construction of any developments that will be applying for RHTC. These developments must apply for HOME funds as part of the RHTC application (also called the Qualified Allocation Plan);
- Any housing activity funded under Title VI of NAHA, prepayment of mortgages insured under the National Housing Act, public housing developments, or acquisition, rehabilitation or construction of any developments funded under HUD's former Rental Rehabilitation Program;
- Costs for supportive services, homeless prevention activities, operating expenses, or for the use of commercial facilities for transient housing;
- Acquisition, rehabilitation or construction of transitional housing or emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for homeless persons;
- Payment of HOME loan servicing fees or loan origination costs;
- Tenant-based rental assistance;
- Payment of back taxes.

IHCDA **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- 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.

HOME Program Requirements

The proposed HOME project must follow these minimum requirements, and all other requirements laid forth in the Compliance Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's Compliance Manual. The link and the appropriate chapter are included.

- Recipients must comply with all regulatory requirements listed in24 CFR Part 92.
- Rental housing developments must assist households at or below sixty percent (60%) of the Area Median Income for the County, as published by HUD and distributed by IHCDA. Additionally, those developments with five (5) or more HOME-assisted units must set-aside at least twenty percent (20%) of the units for households at or below fifty percent (50%) of the Area Median Income.
- Homebuyer activities must assist households at or below eighty percent (80%) of the Area Median Income for that County.

- Income verification is valid for a period of six (6)months. If more than six (6) months pass between income verification and contract execution/lease execution/purchase agreement, then a new income verification must be completed. All income verification procedures outlined in the IHCDA Compliance Manual, Income Verification Chapter 8 must be followed.
- All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur at the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections. (IHCDA Compliance Manual, Construction Standards & Physical Inspections Chapter 14)
- The match/leverage requirement for both the HOME program is twenty-five percent (25%) of the total amount of HOME funds drawn minus administration and/or CHDO operating costs. (IHCDA Compliance Manual, Policy Requirements Chapter 1)
- All applicants are required to complete the environmental review record (ERR) and submit it with the application submission as an application Threshold item. The resulting IHCDA Release of Funds is required before fully executed award documents are released and before proceeding with the project. (IHCDA Compliance Manual, Environmental Review Chapter 11). For more information, contact the IHCDA Design and Construction Review Manager.
    - Applicants may not purchase any property to be assisted with HOME funds or sign contracts until the ERR/Release of Funds process has been completed.
- Award recipients will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award. Additionally, owner-occupied rehabilitation must also stipulate that adequate property insurance be maintained throughout the affordability period. (IHCDA Compliance Manual, Procurement Procedures Chapter 10)
- The recipient must follow the Davis Bacon requirements found in 29 CFR Parts 1, 3 and 5 to ensure workers receive no less than the prevailing wages being paid for similar work for the following type of projects:
    - Rehabilitation or new construction of a residential property containing twelve (12) or more HOME-assisted units; and
    - Affordable housing containing twelve (12) or more units assisted with HOME funding regardless of whether HOME funding is used for construction or non-construction activities.
    - Such properties may be one (1) building or multiple buildings owned and operated as a single development.
    - Public Housing Authorities (PHA's) using PHA funds in conjunction with IHCDA funds are subject to Davis Bacon requirements.
- The recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the HOME award. (IHCDA Compliance Manual, Procurement Procedures Chapter 10)
- Applicants that are proposing to develop rental housing must register vacancies for assisted housing in the IndianaHousingNow.org affordable housing database.
- Each recipient of a HOME award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed. (IHCDA Compliance Manual, Lead Based Paint Chapter 2)
- Each recipient of a HOME award is subject to the requirements of the Uniform Relocation Act. See the IHCDA's Compliance Manual Chapter 4 on URA for guidance on the regulatory

requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.

- Housing must meet the accessibility requirements of 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined in 24 CFR Part 100.201. It must also meet the design and construction requirements of 24 CFR 100.205 and which implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C. 3601-3619). See the IHCDA Compliance Manual Chapter 3 for guidance on the regulatory requirements of Section 504 Accessibility Standards.
- Units must, at a minimum, meet the stricter of the local rehabilitation standards or the Indiana State Building Code.
- Recipients receiving $200,000 or more in construction funding from all CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects. (IHCDA Compliance Manual, Section 3 Chapter 7)
- Recipients of HOME funds must meet additional energy efficiency standards for new construction as described in 24 CFR 92.251. Namely, newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.
- Rental housing and homebuyer developments with five (5) or more HOME-assisted units must adopt IHCDA's Affirmative Marketing Procedures. See the IHCDA Compliance Manual Chapter 5 for guidance on Affirmative Marketing Procedures.
- The recipient of HOME funds must ensure that every HOME-assisted homebuyer receives housing counseling before purchasing a home. The counseling can be provided by the recipient, an organization under contract with the recipient, or a qualified third party independent recipient (e.g., a HUD-approved housing counseling agency). The counseling should be comprehensive by including post-purchasing counseling, if feasible.
- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.
- Recipient must ensure that each owner of a HOME-assisted rental development enters tenant events into IHCDA's Indiana Housing Online Management System at https://ihcdaonline.com/ within thirty (30) days of the tenant's event date. Tenant events include move-ins, move-outs, recertification, unit transfers, and rent and income changes. In addition, Annual Owner Certification Rental Reports will be required to be submitted electronically using the Indiana

Housing Online Management System throughout the affordability period in the Annual Rental Report. See IHCDA's Compliance Manual for further guidance.

- Any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within six (6) months of completion must be converted to a HOME-assisted rental unit.

Affordability Requirements

HOME subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The affordability period begins after project completion. During the affordability period the home must remain the owner's principal place of residency; and the homeowner is required to maintain adequate homeowner insurance on the property. (IHCDA Compliance Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15).

- The following affordability periods apply to all HOME rental housing and homebuyer projects:

Amount of HOME subsidy per unit:	Affordability Period
Under $15,000	5 years
$15,000 - $40,000	10 years
Over $40,000 - or any rehabilitation/refinance combination activity	15 years
New construction or acquisition of newly constructed transitional, permanent supportive, or rental housing	20 years

- All HOME-assisted rental units can use resale restrictions; recapture provisions, or a combination of both to preserve affordability.
- Resale restrictions shall be implemented for every homebuyer property constructed, redeveloped, or rehabilitated, in whole or in part, with HOME Funds in the form of a development subsidy. A development subsidy consists of the difference between the cost of producing the unit and the fair market value of the property. If HOME Funds are provided to the homebuyer as a grant, the property will be subject to a resale restriction.
- If the homeowner sells the property to another a low-income family that will use the property as its principal residence throughout the remainder of the affordability period, the homeowner will not be required to repay the funds. The term "low income family" shall mean a family whose gross annual income does not exceed eighty percent (80%) of the median family income for the geographic area published annually by HUD. The purchasing family should pay no more than twenty-nine percent (29%) of its gross family income towards the principal, interest, taxes, and insurance for the property on a monthly basis. The homeowner selling the property will be allowed to receive a fair return on investment, which will include the homeowner's investment and any capital improvements made to the property. The award recipient must execute a lien and restrictive covenant prepared by IHCDA. The award recipient is ultimately responsible for repaying IHCDA any HOME funds invested into any unit that does not meet the affordability requirements throughout the Affordability Period. The Affordability Period is based upon the total amount of HOME funds invested into the unit. (IHCDA Compliance Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15)

Homebuyer Recapture Guidelines

Recapture provisions shall be implemented for any property purchased, in whole or in part, by a homebuyer that receives a direct subsidy (“homebuyer subsidy”) in an amount greater than or equal to One Thousand and 00/100 Dollars ($1,000) in HOME Funds. A homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

If a homebuyer subsidy is provided to the homebuyer as a loan, the HOME Funds will be subject to a recapture provision.

If the homebuyer no longer utilizes the property as its principal residence during the affordability period defined below, the amount to be recaptured is the shared net proceeds of a prorated amount of the homebuyer subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the affordability period. Any net proceeds that exist will be shared between IHCDA and the homebuyer. If there are not any proceeds, there is no amount to recapture.

If there is both development subsidy and homebuyer subsidy or just homebuyer subsidy, a recapture provision must be implemented. In cases where a homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

C H D O

IHCDA CHDO Set-Aside

IHCDA must allocate 15% of its HOME funds for CHDO projects.

CHDO Eligible Activities

- Permanent rental and homebuyer housing are considered CHDO-eligible activities for purposes of the CHDO set-aside as long as the activity takes place within the CHDO's state-certified service area and the CHDO must own, develop, or sponsor the activity.
    - The CHDO "owns" the activity when the CHDO is the owner in fee simple absolute of multifamily or single family housing that will be rented to low-income families.
    - The CHDO "develops" the activity when the CHDO is the owner in fee simple absolute and developer of:
        - New single-family housing that is or will be constructed; or
        - Existing single-family substandard housing that is or will be acquired and rehabilitated for sale to low-income families
    - The CHDO "sponsors" the activity when rental housing is owned in fee simple absolute by the following:
        - A subsidiary of the CHDO (which can include a for-profit or non-profit organization wholly owned by the CHDO, or
        - A limited partnership of which the CHDO or its subsidiary is the sole general partner, or
        - A limited liability company which the CHDO or its subsidiary is the sole managing member.

CHDO Program Requirements

CHDOs must adhere to all HOME requirements listed in this 2013 HOME Application Package and the additional CHDO specific program requirements:

- Treatment of Program Income by a CHDO
  CHDOs receiving payment back during the affordability period may retain these funds. The funds must be utilized for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, if at any time during the affordability period, the CHDO becomes decertified or no longer has a mission of providing affordable housing then all CHDO proceeds must immediately be remitted to IHCDA. Please contact your Compliance Monitor for further assistance in this area.
- An application for a CHDO eligible undertaking must demonstrate the following:
    - Low- and moderate-income persons have had the opportunity to advise the CHDO in its decision regarding the design, site, development, and management of the affordable housing undertaking.
    - Certify that the organization continues to meet the definition of a CHDO by being a certified CHDO by IHCDA.
    - Complete the CHDO related sections in the 2013 HOME Application Forms.
- Homebuyer provision for CHDO-eligible activities, the HOME funds may be provided as a homebuyer deferred payment or forgivable loan and must carry a zero (0%) interest rate and the term must not exceed the affordability period. The Single Family proforma that is submitted to IHCDA at set-up must include:

  - The affordable payment (Principal, Interest, Taxes, Insurance, and Utilities) must have a front-end ratio of twenty-nine percent (29%) of gross income.
  - Applicants should not allow a mortgage payment that exceeds the back-end affordable payment ratio calculated at forty-one percent (41%) of gross monthly income.
  - If the activity is for new construction, at least $50.00 per month must be budgeted for property taxes, unless documentation is provided that indicates that taxes will be lower than this amount.
  - Applicants must include a utility allowance between $125.00 and $200.00, unless documentation is provided that indicates that utilities will be lower than this amount.
  - Donations toward a home must be counted at one hundred percent (100%) of the value; however, in the financial analysis seventy-five percent (75%) of this value must be counted toward either development and/or homebuyer subsidy. But if including a developer fee this is not eligible and one hundred percent (100%) of the value must be counted.
- CHDO Operating Costs – CHDO operating costs are those costs directly related to administering an IHCDA HOME CHDO award and complying with the regulations associated with these funds. HOME funds expended on CHDO operating costs incur no match liability. This line item cannot exceed five percent (5%) of a HOME award and generally is between $5,000.00 and $10,000.00. This line item along with developer's fee, program delivery, and environmental review cannot exceed twenty percent (20%) of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCDA are not eligible for reimbursement through a HOME award.

  Eligible costs include:
  - Affirmative marketing
  - Fair housing education
  - Postage
  - Office materials and supplies
  - Photocopying
  - Office rent and utilities
  - Travel related to the housing activity
  - Communication costs
  - Lead based paint training
  - Staff time or professional services related to reporting, compliance, monitoring, or financial management
  - Training related to the housing activity

CHDO Operating Supplement

CHDOs may apply for supplemental funds in the 2013 HOME Application Forms. The CHDO may apply for up to $50,000 in supplemental funding tied to a specific CHDO HOME eligible project.

CHDO Predevelopment and Seed Money Loans

CHDOs are eligible for project specific predevelopment or seed money loans. The CHDO must apply for the predevelopment or seed money through a separate application process. Please contact your Real Estate Production Analyst for more details.

Subsidy Limitations & Eligible Activity Costs

Subsidy & Budget Limitations
The maximum request amount per application is $500,000 for both rental and homebuyer projects.

Subsidy Limitations
HOME funds used for acquisition, rehabilitation, new construction, program delivery, relocation, rent-up reserve, and developer's fee combined cannot exceed:

Bedroom Size	Per Unit Subsidy Limit
0	$55,000
1	$63,000
2	$77,000
3	$99,000
4+	$109,000

Minimum amount of HOME funds to be used for rehabilitation or new construction is $1,000 per unit.

Budget Limitations
HOME funds cannot be used for reserve accounts for replacement or operating costs, but may be used as a Rent-Up Reserve.

All subsidies must be secured throughout the affordability period by a written, legally binding, recorded restrictive covenant.

HOME funds budgeted for administration or CHDO operating costs cannot exceed five percent (5%) of the HOME award.

HOME funds budgeted for developer's fee cannot exceed fifteen percent (15%) of the HOME award.

HOME funds budgeted for administration or CHDO operating, program delivery, environmental review and developer's fee together cannot exceed twenty percent (20%) of the HOME award.

Form of Assistance
HOME funds will be awarded to the recipient in the form of a grant or loan. Award documents must be executed in order to access funds and may include, but are not limited to: award agreement, resolution, and a lien and restrictive covenant agreement.

The applicant may then provide the HOME award as a forgivable, amortized, or deferred loan to as many other entities as they choose, known as subgrantees (beneficiaries if a homebuyer award). However, subgrantees must be identified in the application and approved by IHCDA.

A title company is required to be used for all loans that occur between the IHCDA recipient and the beneficiary or subgrantee of the program. For example, an IHCDA recipient providing funds for a homebuyer activity must use a title company when the loan is made to the homeowner. Another example is when an IHCDA recipient is assisting a property that that it does not own. When the loan is made from the IHCDA recipient to the subgrantee, a title company must be used.

The IHCDA recipient must execute a promissory note, mortgage, lien and restrictive covenant agreement, security agreement, UCC Financing Statement(s), and other documents as directed by IHCDA in order to secure IHCDA's investment in the assisted property. The recipient is required to deliver these documents to the county recorder's office for recording. These documents will be reviewed during monitoring visits.

Eligible Activity Costs

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

RETAINAGE POLICY - IHCDA will hold the final $5,000.00 of an award until the completion reports, leverage documentation, and closeout documentation is received and approved. Additionally, IHCDA will hold the final $5,000.00 of an award until the final monitoring and final inspection have been completed and all findings and/or concerns associated with them have been resolved.

ACQUISITION – Limited to the purchase price and related costs associated with the acquisition of real property. Recipients must use a title company when purchasing or selling assisted properties.

DOWN PAYMENT ASSISTANCE – Down payment assistance may include closing costs, principal reduction, or interest rate buy-downs provided to program participants, or any assistance that reduces the purchase price from the fair market value to an affordable price. For homebuyer projects only.

NEW CONSTRUCTION – Eligible costs include:

- Hard costs associated with new construction activities
- Utility connections including off-site connections from the property line to the adjacent street
- Site work related to driveways, sidewalks, landscaping, etc.
- Related infrastructure costs - improvements to the development site that are in keeping with improvements of surrounding, standard developments. Site improvements may include on-site roads and water and sewer lines necessary to the development
- For multifamily rental housing, costs to construct an on-site management office, the apartment of a resident manager, or laundry or community facilities that are located within the same building as the housing and are for the use of the tenants and their guests
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners

REHABILITATION – Eligible costs include:

- Hard costs associated with rehabilitation activities
- Lead-based paint interim controls and abatement costs.
- Mold remediation.
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served.

- For multifamily rental housing, costs to rehabilitate an on-site management office, the apartment of a resident manager, or laundry or community facilities that are located within the same building as the housing and are for the use of the tenants and their guests
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- Site work related to driveways, sidewalks, landscaping, etc.

DEMOLITION – Costs associated with the demolition and clearance of existing structures.

PROGRAM DELIVERY - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed twenty percent (20%) of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Additionally, program delivery may be used to payoff a HOME CHDO Predevelopment or CHDO Seed Money loan but may not exceed the twenty percent (20%) line item cap.

Eligible costs include:

- Engineering/Architectural Plans
- Credit reports
- Financing costs
- Client in-take / Income verification
- Plans, specifications, work write-ups
- Credit reports
- Title Searches
- Impact fees
- Inspections
- Cost estimates
- Building permits
- Recording fees
- Demolition permits
- Travel to and from the site
- Lead hazard testing
- Private lender origination fees
- Appraisals
- Consultant fees
- Realtor fees
- Utilities of assisted units
- Other professional services
- Builders risk insurance
- Phase I Environmental Assessments
- Closing costs paid on behalf of homebuyer
- Legal and accounting fees

RELOCATION - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, nonprofit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCDA's Compliance Manual Chapter 4.

LEAD HAZARD TESTING – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are $1000.00 per unit.

HOMEOWNERSHIP COUNSELING – Costs associated with formal training provided to prospective homebuyers. This item is limited to $1,000.00 per homebuyer. For homebuyer projects only.

Eligible costs include:

- Course material development/costs
- Related travel

- Underwriting
- Professional services
- Intake
- Training location
- Credit reports
- Postage
- Income verification
- Loan processing
- Program management
- Marketing and advertising

DEVELOPER'S FEE – Developer's fees are only available with HOME funded activities and cannot exceed fifteen percent (15%) of the HOME award. Additionally, the total of Developer's Fee, Administration or CHDO operating, program delivery and environmental review cannot exceed twenty percent (20%) of the HOME request.

ADMINISTRATION - The administration line item includes those costs directly related to administering the IHCDA award and complying with the regulations associated with these funds. This line item cannot exceed five percent (5%) of the HOME request and generally is between $5,000 and $10,000. This line item along with Developer's Fee, program delivery, and environmental review cannot exceed twenty percent (20%) of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCDA are <u>not eligible</u> for reimbursement through a HOME award. This line item does not incur a match liability for HOME funds.

Eligible costs include:

- Affirmative marketing
- Fair housing education
- Postage
- Office materials and supplies
- Photocopying
- Office rent and utilities
- Travel related to the housing activity
- Communication costs
- Lead based paint training
- Staff time or professional services related to reporting, compliance, monitoring, or financial management
- Training related to the housing activity

CHDO OPERATING COSTS – Please refer to the CHDO section of this application package.

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the Environmental Review Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the Program Delivery line item. This line item along with developer's fee, program delivery and administration or CHDO operating cannot exceed twenty percent (20%) of the HOME request. Eligible costs for this line item are generally between $2,000 and $5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCDA Compliance Manual or contact Adrienne Schmetzer, IHCDA Design and Construction Review Manager.

<u>Ineligible Activity Costs</u>

- Commercial development costs - All costs associated with the construction or rehabilitation of space within a development that will be used for non-residential purposes such as offices or other commercial uses. This does not include the common area used by tenants of rental property or the leasing office of the apartment manager. HOME awards cannot be used to underwrite any portion of commercial development costs. The expenses incurred and income to be generated from commercial space must be reported in a separate "Annual Expense Information" sheet and fifteen (15)-year proforma.

- Costs associated with preparing an application for funding through IHCDA.
- Purchase or installation of luxury items, such as swimming pools or hot tubs.
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Cost of supportive services.
- General operating expenses or operating subsidies.
- Providing tenant based rental assistance.
- Mortgage default/delinquency correction or avoidance.
- Loan guarantees.
- Annual contributions for operation of public housing.
- Costs associated with any financial audit of the recipient.

Program Income

Income generated by CHDOs acting as owners, sponsors or developers of HOME units may be retained by the CHDO's but it must be used for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, funds recaptured because housing no longer meets affordability requirements is not considered CHDO proceeds and must be returned to IHCDA.

Income generated by not for profits or for-profits, acting as developers of HOME units, may be retained by the developer and is not subject to HOME Program requirements.

Additionally, all legal documents, such as mortgages, security agreements, UCC financing statements, and liens executed by the IHCDA recipient and the beneficiary or subrecipient, receiving assistance, must be recorded at the county recorder's office. These documents must be submitted to IHCDA at closeout along with the IHCDA recipient's completion reports and will be reviewed during monitoring visits conducted by IHCDA staff.

The State of Indiana, Department of Financial Institutions, has determined that any community development corporation (as defined in IC 4-4-28-2) acting as a subrecipient of funds received from; the Indiana Housing and Community Development Authority is exempt from the requirements of the Consumer Credit Code set forth in (IC 24-4.5), including its loan licensing requirements. Subsequently, if you are a not for profit that does not meet these requirements, you could be subject to the loan licensing requirements as listed above.

Additionally, if your organization makes more than twenty (25) consumer loans in a year, then the loan-licensing requirements referenced above could become applicable.

HOME projects can propose the following rental projects:

Permanent Rental Rehabilitation or New Construction: Provides affordable housing that will be rented to income-eligible tenants. Eligible activities include rehabilitation and new construction. Acquisition is allowed only in conjunction with rehabilitation or new construction activity. Permanent rental housing units may not be used for temporary or emergency housing at any time. Eligible rental activities also include the acquisition or rehabilitation of assisted-living facilities as long as they meet IHCDA's definition. IHCDA defines an assisted living facility as living arrangements in which some optional services are available to residents (meals, laundry, medication reminders), but residents still live independently within the assisted-living complex. Residents of such facilities pay a regular monthly rent, and then pay additional fees for the services that they desire.

Rent Restrictions

HOME-assisted rental units will be rent-restricted throughout the affordability period to ensure that the units are affordable to low- and moderate-income households. Please refer to the most recent HOME rent limits, which may be found on IHCDA's website under RED Notices. The following restrictions apply:

- Published rent limits include the cost of any tenant-paid utilities. You must subtract from the published rent limit an IHCDA or HUD approved utility allowance for all utilities that the tenant will be responsible for. For example, if the rent limit in a given county is $300.00. The utility allowance for gas heat is $28.00, for other electric is $20.00, and for water is $13.00. For a unit where the tenant will pay for gas heat, other electric, and water, the maximum allowable rent would be $239.00 ($300.00 - $28.00 - $20.00 - $13.00 = $239.00).
- All units must be leased for initial occupancy within 18 months.
- If a SRO-unit has both food preparation and sanitary facilities, then use the HOME zero (0) bedroom (efficiency) unit rent or thirty percent (30%) of the household's adjusted income, whichever is most restrictive.
- If a SRO-unit has neither food preparation nor sanitary facilities, or only one of either, then the rent may not exceed seventy-five percent (75%) of the Fair Market Rent (FMR) for a zero (0) bedroom unit. For example, if the FMR for a zero (0) bedroom unit in a given county is $300.000, then the forty-percent (40%) rent limit in that county for a SRO unit that only has a bathroom and not a kitchen would be $225.00 ($300 x .75 = $225).
- Gross rent must be at or below the published rent limit. Gross rent = tenant-paid rent + tenant-based rental assistance + utility allowance + non-optional charges.
- If the applicant proposes to receive all or a portion of the rent payment via a tenant-based voucher (rental subsidy), the gross rent (including the rental assistance amount) cannot exceed the published rent limits for the applicable income level. For example, a tenant residing in a unit set-aside for households at or below forty percent (40%) of the area median income has a voucher that pays $100.00 of his/her rent, and the published utility allowance for tenant paid utilities for the unit is $50.00. If the published forty percent (40%) Rent Limit is $300.00, the tenant paid portion of rent cannot exceed $150.00 ($300.00 Rent Limit - $100.00 Section 8 Voucher - $50.00 Utility Allowance = $150.00 Maximum Tenant Paid Portion).
- If the development receives a federal or state project-based rent subsidy and the unit is designated as 50% or below and the household is at or below fifty percent (50%) AMI and the household pays no more than thirty percent (30%) of his/her adjusted income for rent, then the

maximum rent may be the rent allowable under the project-based rental subsidy program as set forth in 24 CFR 92.252(b)(2).

- If the development charges non-optional fees for food or the costs of supportive services, then these costs must be included in the gross rent calculation
- All tenants who occupy HOME-assisted rental housing units must be income recertified on an annual basis. The Section 8 definition of household income applies.

Underwriting Guidelines for Rental Projects

The following underwriting guidelines must be followed for any rental developments. The numbers submitted should reflect the nature and true cost of the proposed activity. IHCDA will consider any underwriting outside of these guidelines if supporting documentation is provided.

TOTAL OPERATING EXPENSES – All developments must be able to underwrite with a minimum operating expense of $2,500 per unit per year (net of taxes and reserves).

MANAGEMENT FEE – The maximum management fee allowed is described in the table below based on the number units within the project. The percentage is based on the "effective gross income" (gross income for all units less vacancy rate).

Number of Units	Maximum Management Fee Percentage
1 – 50	7%
51 - 100	6%
101 or more	5%

VACANCY RATE – All developments must be able to underwrite with a vacancy rate between six percent (6%) and eight percent (8%).

RENTAL INCOME GROWTH – All developments must be able to underwrite with a rental income growth between zero percent (0%) and two percent (2%) per year.

OPERATING RESERVES – All developments must be able to underwrite with operating reserves for four (4) to six (6) months (operating expenses plus debt service) or at $1,500 per unit based on whichever is greater.

RENT-UP RESERVE – HOME funds may be used to fund a rent-up reserve for new construction and rehabilitation rental housing developments. This reserve can be used to meet shortfalls in development income during the rent-up period and may only be drawn down after all construction is completed at the development. The following terms apply:

- The term of the rent-up reserve account may not exceed six (6) months after all construction is completed, after which time any unused reserves left in the account will be de-obligated by IHCDA.
- These funds can be used only for development operating expenses, scheduled payments to replacement reserves, and/or debt service payments.
- The recipient must receive IHCDA's approval prior to accessing its rent-up reserve funding.
- The amount of HOME funds that can be utilized for a rent-up reserve is limited to three (3) months development operating expenses plus three (3) months of development debt service.

REPLACEMENT RESERVES – All developments are required to have replacement reserves and must be included in the operating budget, but is not included as part of the operating reserves. 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. 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. IHCDA will at its discretion, adjust the Replacement Reserve to reflect reasonable and customary capital and replacement expenditures. The following minimum contributions must be used.

Development Type	Minimum Contribution per unit per year
Rehabilitation*	$350
New Construction	$250

* For Rehabilitation developments, the Capital Needs Assessment will be reviewed in determining whether sufficient reserves have been established.

OPERATING EXPENSE GROWTH – All developments must be able to underwrite with operating expense growth between one percent (1%) and three percent (3%) per year. IHCDA requires operating expense growth to be at least one percent (1%) higher than rental income growth.

STABILIZED DEBT COVERAGE RATIO – All developments must be able to underwrite with a stabilized debt coverage ratio with the following standards. Stabilization usually occurs in year 2, however 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 have a 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. Tax abatement may cause the debt coverage ratio to be higher than these guidelines.

Development Location	Minimum Contribution per unit per year
Large and Small City	1.15 – 1.40
Rural	1.15 – 1.50

The following documentation is required for Stabilized Debt Coverage Ratio:

- 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); AND
- 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).

Homebuyer Requirements

The purpose of this activity is to provide funding to improve the quality of housing stock while making it affordable for homebuyers. Funding is available for the acquisition, rehabilitation and new construction of housing that will be sold to income-eligible homebuyers.

Eligible Beneficiaries

Each household must have an annual income equal to or less than eighty percent (80%) of the area median family income (adjusted for household size) at the time the contract to purchase the home is signed. The Section 8 definition of household income applies.

To be eligible for homebuyer activities, the prospective purchaser beneficiary must be low-income and must occupy the property as a principal residence upon purchase.

The purchasing household must be low-income at either:

- In the case of a contract to purchase existing housing, at the time of purchase; or
- In the case of a contract to purchase housing to be constructed, at the time the contract is signed.

A household owns a property if that household:

- Has fee simple title to the property; or
- Maintains a 99-year leasehold interest in the property; or
- Owns a condominium; or
- Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
- Maintains an equivalent form of ownership approved by HUD.

Ownership does not include life estates and land contracts/contracts for deeds.

Recapture/Resale Requirements

The recipient must implement resale requirements for every homebuyer property constructed, redeveloped, rehabilitated, or acquired, in whole or in part, with HOME funds in the form of a development subsidy. The development subsidy consists of the difference between the cost of producing the unit and the market value of the property. Contrarily, the recipient must implement recapture restrictions for any homebuyer property purchased, in whole or in part, by a homebuyer that received a direct subsidy from the Recipient in an amount greater than or equal to One Thousand and 00/100 Dollars ($1,000) from HOME funds. A direct or homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing). If the homebuyer no longer utilizes the property as its principal residence during the affordability period the amount to be recaptured is the shared net proceeds of a prorated amount of the homebuyer subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the affordability period. If there is both a development subsidy and a homebuyer subsidy or just a homebuyer subsidy, a recapture provision must be implemented. In cases where a homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

With respect to HOME-assisted rental units, the recipient must execute a lien and restrictive covenant agreement, and a loan agreement, promissory note, mortgage, security agreement and UCC's, as directed by IHCDA, in order to preserve affordability and secure IHCDA's investment in the assisted property.

Recipient must use documents that are prepared by IHCDA.

Homebuyer Provisions

- Recipients are required to identify and qualify homebuyers prior to acquiring and beginning construction on the HOME-assisted units; however, HOME-assisted units are not considered completed until occupied by an income eligible homebuyer. Therefore, units that are not completed during the award timeframe may affect future funding decisions.
- Recipients will be required to provide an "after rehab" or "construction value" appraisal; whichever is appropriate, from a licensed appraiser for all property assisted with the award with the first draw that includes hard costs. If the applicant is acquiring property an "as-is" appraisal is required with the first draw request for acquisition reimbursement. See IHCDA's Compliance Manual for details.
- Applicants also performing rehabilitation on the housing in this activity must purchase:
  - Homebuyer residential units,
  - Rental units that have been vacant for three (3) or more months, or
  - Occupied rental units only if the current tenant will become the eventual homebuyer. See the IHCDA's Compliance Manual for further guidance.
- Subsidy analysis must be based on a borrower's payment for a minimum of a 20-year mortgage.
- Recipients are required to provide homeownership counseling to all program beneficiaries.
- If the not-for-profit applicant anticipates selling the HOME-assisted unit to a buyer that will utilize an FHA or VA insured mortgage, they may be required to first be approved by HUD to be a secondary lender. Information on how to become a HUD-approved lender can be obtained at HUD's website or by calling the HUD's Atlanta Homeownership Center toll free at (888) 696-4687 ext. 2055.
- According to 24 CFR 92.254(a)(2) in the case of acquisition of newly constructed housing or standard housing, the property must have a purchase price that does not exceed the FHA 203(b) mortgage limits. In the case of acquisition with rehabilitation, the property must have an estimated value after rehabilitation that does not exceed the FHA 203(b) mortgage limits. For a list of current mortgage limits, see the appropriate RED Memo on IHCDA's website.
- The HOME-assisted housing unit must be occupied as the homebuyer's principal residence throughout the affordability period. The length of the mandatory affordability period is found in the section labeled "All HOME-Eligible Activities."
- Homebuyer units that are multi-family (four (4) or less units) must meet all program requirements. The owner must be income qualified (income from the rental units must be included). The occupants of the rental units must also be income qualified and impose all rental requirements.
- Any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within nine (9) months of completion must be converted to a HOME-assisted rental unit.

Completeness & Threshold Criteria

Each proposed project must satisfy the Federal requirements of the HOME program and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the criteria listed below.

Completeness

- Timeliness – All documentation must be turned in by the application due date.
  - On or before the application deadline, the applicant must provide all documentation as instructed in this Application Process Handbook as well as required documentation listed in the HOME Application Form.
  - If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
  - Any forms that are late will be denied review and will be sent back to the applicant.
- Responsiveness – All questions must be answered and all supporting documentation must be provided.
  - The applicant must provide all documentation as instructed in this Application Process Handbook as well as required documentation listed in the HOME Application Forms.
  - The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
  - Required signatures must be originally signed.
- The checklist below and in the application forms is provided for your guidance in successfully completing the HOME application.

Completeness Checklist	**Y** *or* **N**
Is every question answered?	
Are all required signature pages signed?	
Was the Application Form uploaded to the FTP site by the due date?	
Are all required Tab Attachments uploaded to the FTP site by the due date?	
Was a hard copy of the Application Form with original signatures sent to IHCDA by the due date?	

Threshold & Scoring Guidance & Checklist

Items that MUST be submitted as part of Threshold and Scoring Review are indicated in italics. After initial threshold review, IHCDA staff may contact the applicant for further clarification of an item. Failure to respond to the requested clarification items by the due date and in the manner requested may result in application denial.

TAB	DESCRIPTION	INCLUDED AS ATTACHMENT? Y *or* N *or* NA
Application Cover Page		
A	The Applicant must maintain System for Award Management ("SAM"), formerly Central Contractor Registration ("CCR"). www.sam.gov *Provide proof of SAM registration and/or status.*	
	If the applicant is a CHDO, they must complete the CHDO tab and the CHDO Board of Directors tab in the Application Forms.	
B	If the owner is different from (A) or (B), enter the contact information for the owner of the project. *Provide a letter from the Owner authorizing the applicant to apply for funding for the Owner's property.*	
Application Summary		
C	Applicants that are not-for-profit corporations organized under section 501(c)3 or 501(c)4 of the Internal Revenue Code, but not also state-certified Community Housing Development Organizations (CHDOs), must include a copy of their IRS determination letter. *Provide a copy of the IRS determination letter.*	
D	If the proposed project previously received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development office. *Provide copy of the letter along with proof of sending.*	
E	Not-for-Profit applicants, subrecipients, and administrators organized under the State of Indiana must provide proof of organization and that they are in good standing. *Submit a copy of the Certificate of Existence from the Indiana Secretary of State that is no more than six months old.*	
F	Environmental Review Record *Submit flood determination(s) and site specific photographs in Tab F.*	
	Income Levels Rental housing developments must assist households at or below sixty percent (60%) of the Area Median Income for the County, as published by HUD and distributed by IHCDA. Additionally, developments with five (5) or more HOME-assisted units must set-aside at least twenty percent (20%) of the units for area median income levels of fifty percent (50%) and below.	

	Homebuyer activities must assist households at or below eighty percent (80%) of the Area Median Income for that County.	
	Maximum Income Levels Applicants may find the IHCDA 2013 Federal Program Income Limits as RED Notice RED-13-16 or here.	
G	Affirmative Fair Housing Marketing Plan In accordance with 24 CFR 200.620 and 24 CFR 92.351(a), the Recipient must adopt an Affirmative Fair Housing Marketing Plan for rental and homebuyer projects containing five (5) or more HOME-assisted housing units. *Provide form HUD-935.2A in Tab G. (Click on the form name to be directed to HUD's Form portal).*	
	Development Team Members List the primary development team members, by name and organization, in the box that corresponds to the role the member will have on the team. In the 'Expertise' box, describe the level of experience and expertise for each team member.	
Project Narrative		
	It is important that the project is well planned and that the proposed project will satisfy a housing need in your area. Address the following items when describing the project. You can also find this information on the application form by floating your cursor over the narrative questions.	
	1) Project Description: Describe the project concept, including the rationale for selecting the current project form, and details of the project including size, number of units, location, etc.	
	2) Amenities in and around the project: Describe the amenities that the project will provide to beneficiaries along with amenities within close proximity to the project area that beneficiaries will benefit from.	
	3) Area's needs the project will meet: Describe the community need for the project along with the impact the project will have on the community as a whole.	
	4) Community support and/or opposition to the project: Describe the support and/or opposition the community has for the project. List community leadership (individuals, agencies, elected officials, organizations, etc.) that support and/or oppose the project. Also describe any public outreach that has taken place to ensure/gain community support for the project.	
	5) Constituency served by the project: Describe the project's intended customers or beneficiaries and discuss the project's impact on those individuals or families. Please explain why the proposed project is the best possible solution for the beneficiaries.	
	6) Partnerships created to enhance the project: Identify the	

	partnerships, formal and informal, that were created as a result of the project concept and the role the partnerships have in the project?	
	7) Project quality: Describe the elements of the project (can include services provided, materials used, organizational/financial support, etc.) that will help produce a high quality project for both the beneficiaries and the community.	
H	8) Target area: Describe the project location and why this area was selected. The target area is the geographic location in which a potential housing project may take place. Depending on how urban or rural the surroundings, it might be as small as a neighborhood or as large as a county. Describe how you determined this was the appropriate area for your project. *Attach a scaled map that includes: the project area boundaries and the specific site(s) with a map key labeling the site address(es). If the project is in multiple counties, please submit a labeled county map for each county that includes the specific site(s) with a map key labeling the site addresses. Attach in Tab H.*	
	9) Effective use of resources: Describe the steps taken by your organization to ensure resources, both non-IHCDA and IHCDA funds, are being used effectively to positively impact beneficiaries and the community.	
	10) Unique features: Describe the unique features of the project. Unique features should be a creative addition to the proposed project. They should enhance the overall character of your project, improve the project beneficiaries' and the community's quality of life, health, and safety. Unique features can be included in the financial structure of the project, involve members of the community, include items specific to the target area/project location or could include special services offered to the population served. More information and supporting documentation will be required later in the application.	
	Services: Describe any services that will be provided to beneficiaries. More information and supporting documentation will be required later in the application.	
Market Needs		
I	HUD requires that IHCDA certify that there is adequate need for each project based on the neighborhood's housing market. This applies to both homebuyer and rental projects including acquisition, rehabilitation, and/or new construction. In order to help make this determination please answer all of the questions in the Market tab in the 2013 HOME application. *Attach any relevant support material such as planning documents & maps in Tab I.*	

Match		
J	Match/Leverage Spreadsheet *Submit a completed Match/Leverage Spreadsheet with all required support documents. A Match/Leverage Spreadsheet is not required for banked match or cash match.*	
J	Commitment Letters *Provide Letters of Commitment for any match/leverage or other sources contributing to the project.*	
Sources and Uses		
	List all sources of grants to the project that do not require repayment. Also, list the IHCDA award request amount made in this application.	
	List all sources of permanent financing for the project that remains beyond construction. Include the value of any new mortgages that are taken out at the end of construction by the developer/owner. Enter the name of the lender, original amount of the loan, the current interest rate, amortization period, loan term, payment amount and proposed lien position. If the IHCDA funding request includes permanent financing in the form of a loan, enter anticipated terms and information in this table.	
K	*Attach letters of commitment from all other funders in Tab K.*	
K	List all sources of private or public cash donations to the project. *Attach letters of commitment in Tab K.*	
K	List all in-kind contributions to the development phase of the housing activity, including construction, materials, volunteer labor, waived fees, portion of sale price below appraised value, etc. *Attach all in-kind supporting documentation (such as but not limited to letters of commitment, appraisal, or purchase agreement) in TAB K.*	
Project Characteristics – See Page 36 of this document for more details.		
	Aging in Place An explanation of how this project will serve an Aging in Place population will be explained by answered the questions in the Project Narrative section of the application. The originally signed HOME application will serve as certification that the development will comply with the accessibility or adaptability requirements for new construction or rehab Aging in Place projects. For rehab projects with more than 26 units, a capital needs assessment must be submitted in Tab L.	
L	Aging in Place Targeted Populations For rental projects choosing Option 2, submit *a Form E Special Needs*	

	Population Referral Agreement Form in Tab L.	
	Comprehensive Community Development: Narrative An explanation of how this project is part of a larger revitalization effort will be explained by answering the questions in the Project Narrative section of the application.	
L	Comprehensive Community Development projects: Evidence of a Plan *Submit ALL OF THE BELOW in Tab L as evidence that this project is part of a comprehensive revitalization or development plan:* ▪ *Copy of the entire plan;* ▪ *A short narrative about the efforts that lead to the creation of the plan and how the need for owner-occupied rehabilitation was identified as an area need to be included in the plan;* ▪ *A bulleted list that includes page numbers of where to find:* o *References to the need for affordable owner-occupied rehabilitation in the project target area* o *An evaluation of current area conditions* o *Public participation*	
L	Comprehensive Community Development projects: Target Area *Submit a scaled map that includes the project area boundaries and the specific project site(s) with a map key labeling the site addresses. Clearly label the boundaries and indicate the size of the target area. Attach in Tab L.*	
L	Comprehensive Community Development projects: Evidence of Adoption *Submit a copy of the resolution by the Local Unit of Government adopting the plan in Tab L.*	
L	Comprehensive Community Development projects: Local Support *Submit a letter from the highest elected local official certifying that the project will assist in the revitalization of the specific neighborhood or area. Attach in Tab L.*	
L	Services: For Homebuyer Projects: ▪ ***One*** *Form A: Homeowner Investment Plan Matrix listing all services for the entire proposed program (found at the end of this Application Package);* ▪ *Form B: Homeowner Investment Plan Matrix for* ***EACH*** *service provider with original signatures (found at the end of this Application Package);* ▪ *A brief narrative explaining how these services will enhance the targeted population for the proposed project.* For Rental Projects: ▪ ***One*** *Form C: Tenant Investment Plan Matrix listing all services for the entire proposed program (found at the end of this Application*	

	Package); ▪ *Form D: Tenant Investment Plan Matrix for **EACH** service provider with original signatures (found at the end of this Application Package);* ▪ *A brief narrative explaining how these services will enhance the targeted population for the proposed project.*	
Development Features		
M	Existing Structures Submit all of the following for points in the selected categories in Tab M: ▪ *Photographs of the building to be reused;* ▪ *Documentation of whether or not the building is occupied;* ▪ *Narrative of how building will be reused;* ▪ *If the property is a historic resource, submit either a letter from the Department of Natural Resources Division of Historic Preservation and Archaeology that specifically identifies the site as an historic resource **OR** a copy of the county interim report or some equivalent county historical society report identifying the property as either an historical resource or a contributing resource in an historic district.*	
M	Infill Submit all of the following for points in the selected categories in Tab M: ▪ *Aerial photos of the proposed site(s);* ▪ *Brief description of how the site will return vitality to the neighborhood.*	
Readiness		
N	Client Intake Applicant, sub-recipient, or administrator has already begun client intake. Client intake must include income verification. Beneficiaries that have not been appropriately income-verified per the HUD Part 5 definition should not be included in the list. List needs to include client name and information pertinent to the target population being served. *Submit a copy of the Client Intake list in Tab N.*	
N	Predevelopment Activities Site Control *Provide Purchase Option or Purchase Agreement that is no older than 6 months and that has an expiration date after the HOME application due date.* Appraisal *Provide an appraisal that is no older than 6 months.* Asbestos and/or Lead Testing *Provide a copy of the assessment report.*	

	Preliminary or Final Architectural and/or Engineering Plans *Provide electronic copies of architectural and/or engineering plans.* Cost Estimates *Provide a copy of the cost estimates.* Zoning Approval *Provide a letter no older than 6 months from the local planning official that certifies the current zoning allows for construction and operation of the proposed development and any required variances that have been approved.* Title Search *Submit evidence of clear title with a title insurance commitment, title search documentation or attorney's opinion letter.* Other *Submit appropriate documentation.*	
N	Contractor Participation Provide the following to receive points: ▪ *Provide a copy of the state certification and* ▪ *A copy of the letter inviting the contractor to participate in the project bidding.*	
Capacity		
O	Training Points will be awarded for a member of the applicant, sub-recipient or administrator staff who has participated in a housing or community development related training. *Attach copies of the training completion certificate(s) in Tab O.*	
O	Certification Points will be awarded for a member of the applicant, sub-recipient or administrator staff who has completed the following certifications (see list on Page 45 of this document). *Attach copies of the certification completion documentation in Tab O.*	
Financing		
P	Public Participation Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds. *Submit a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.*	
P	Leveraging of Other Funding Sources	

	Points will be awarded to applicants whose proposed project has received a firm commitment of Other Leveraged Funding Sources. *Submit a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.*	
UNIQUE FEATURES & BONUS		
Q	Unique Features Points will be awarded to projects proposing Unique Features. Features receiving points in other sections of this application will not be considered for Unique Feature points. *Submit a narrative summary of the proposed unique features in Tab Q.*	
HOMEBUYER ASSESSMENT		
R	Homebuyer documentation: ▪ A list of identified homebuyers including a homebuyer proforma and income verification for each identified homebuyer; ▪ Narrative description of the homebuyer counseling program; ▪ Utility allowance information (if applicable); ▪ Tax allowance information (if applicable).	
APPLICANT CAPACITY ASSESSMENT		
S	Submit the applicant assessment worksheet.	
DISPLACEMENT ASSESSMENT		
T	Displacement assessment	

If an application meets all applicable requirements, it will be evaluated and scored based on:

Scoring Category	Points Possible
Project Characteristics	35
Development Features	25
Readiness	13
Capacity	25
Financing	10
Unique Features & Bonus	10
Total Possible Points	**118**

When there is a scoring criteria based on the county being served and there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number.

Project Characteristics **Category Maximum Points Possible: 35**

This scoring category describes the proposed project. The points can be achieved through the following sub-categories: Constituency Served, Targeted Population, Comprehensive Community Development, and Services.

1) *Constituency Served* *Maximum Number of Points: 8*

For rental projects **only**:

If the development commits to servings beneficiaries in IHCDA-assisted units with maximum incomes lower than required by the HOME program and maintains housing costs at affordable rates, points will be awarded in accordance with the following chart. Percentages are of the area median income (AMI) for the county in which the development is to be located. Awarded recipients will be held to the unit commitment in their award agreement. Changes to the AMI levels will require prior IHCDA approval.

Constituency Served	Points
20% of Population served at or below 40% AMI	8

For homebuyer projects **only**:

Points will be awarded to applicants that have at least 20% of the potential homebuyers identified and income verified.

Homebuyers Identified	Points
At least 20% of the potential homebuyers are identified and income verified.	8

2) *Aging in Place Targeted Populations* *Maximum Number of Points: 5*

Aging in Place (AIP) refers to adapting our collective living environment so it is safer, more comfortable, and increases the likelihood a person can live independently and remain at home as circumstances change. Primary target populations for aging in place strategies are seniors, families with seniors, and persons with disabilities.

Points will be awarded to applicants that target populations with special housing needs under IHCDA's AIP priority in accordance with the following guidelines and charts.

For rental projects **only**:

Target Population: Aging in Place	Points
OPTION 1: At least 80% of Population served 55 and Older or 100% of Population served 62 and Older; OR	5
OPTION 2: At least 20% of units are set-aside for households in which at least one member is a person with a disability using the Fair Housing definition of disabled (see glossary). Applicants electing this targeting option must enter into a referral agreement with a qualified organization that provides services for the target population. See part 4.1(F) of the *Federal Programs Ongoing Rental Compliance Manual* for more information on referral agreements. *Submit Referral Agreement Form in Tab L. A boilerplate Referral Agreement can be found in the Appendices at the end of this application package.*	5

For homebuyer projects **only**:

Target Population: Aging in Place	Points
100% of homebuyer units meet the "visitability" standard (see below). In addition, all units shall be made accessible upon the request of the prospective buyer.	5

Visitability is defined as housing designs that allow persons with mobility impairments to enter and enjoy a residence. There are three (3) specific design elements that must be incorporated into the home to satisfy the visitability requirement.

1. At least one zero step entrance on an accessible route. This can be any entrance to the house; and
2. All main floor interior doors- including bathroom doors- provide at least 32 inches of clear passage; and
3. At least one half or full bathroom on the main level is accessible per the Fair Housing Act usable bathrooms requirement.

In order to receive points for AIP projects must satisfy the following criteria:
For New Construction:

- 100% of the units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code, and for rental projects, elevators or lifts must be installed for access to all units above the ground floor.
  Include the following:
  - *The originally signed HOME application will serve as certification that the development will comply with these requirements.*

For Rehabilitations:

- 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.
  Include the following:
  - *The originally signed HOME application will serve as certification that the development will comply with these requirements.*
  - *For rehab projects with more than 26 units, a capital needs assessment must be submitted in Tab L.*

3) *Comprehensive Community Development* *Maximum Number of Points: 10*
Points will be awarded to applicants whose projects contribute to the revitalization of existing areas. Points will be awarded based on the chart below.

Comprehensive Community Development	Points
An explanation of how this project is part of a larger revitalization effort.	1
Evidence that this project is part of a comprehensive revitalization or development plan.	5
The project is located in a targeted area.	1
Adoption of the plan by a Local Unit of Government.	2
A letter from the highest elected local official certifying that the project will assist in the revitalization of the specific neighborhood or area.	1

Projects with a Comprehensive Community Development focus are a part of a broader, more comprehensive approach to area improvement. These projects have the capability of contributing to fundamental change to the character of a targeted area. Further explanation of the points categories are explained:

In order to receive points under the Comprehensive Community Development scoring sub-category, *the applicant must submit the following in Tab L*:

- An explanation of how this project is part of a larger revitalization effort should be explained in the Project Narrative section of the application. You should include information regarding target size, a plan, the efforts already completed or underway, local support for this and other projects in the revitalization efforts, funding commitments, what is the intended impact and how impact will be measured, etc.
- Evidence that this project is part of a comprehensive revitalization or development plan. Ideally this will be a comprehensive or revitalization plan for the town/city where the project is located. The plan must be no older than five years and should include: (a) a target area, (b) detailed policy goals, which must include the rehabilitation of owner-occupied homes, (c) implementation measures along with specific, current, and ongoing time frames for the achievement of such policies and housing activities, (d) an evaluation of current area conditions.
    - Submit the following as supporting documentation for the plan::
        - Copy of the entire plan;
        - A short narrative about the efforts that lead to the creation of the plan and how the need for owner-occupied rehabilitation was identified as an area need to be included in the plan;
        - A bulleted list that includes page numbers of where to find:
            - References to the need for affordable owner-occupied rehabilitation in the project target area
            - An evaluation of current area conditions
            - Public participation

  The following will <u>not</u> be considered for points as eligible plans for this category: short-term work plans, consolidated plans, municipal zoning plans, or land use plans, plans that are older than five years old and plans that do not reflect the current target area conditions.
- Target Area - Submit a scaled map that includes the project area boundaries and the specific site(s) with a map key labeling the site address(es). Clearly label the boundaries and indicate the size of the target area. Attach in Tab L.
- Evidence of Adoption - Submit a copy of the resolution by the Local Unit of government adopting the plan. Attach in Tab L.
- Local Support – Submit a letter from the highest elected local official certifying that the project will assist in the revitalization of the specific neighborhood or area. Attach in Tab L.

4) *Services* *Maximum Number of Points:* *12*

Points will be awarded to applicants whose projects contribute to the overall quality of life for the beneficiaries of the proposed project. Points will be awarded based on the chart below.

Level of Services	Points Possible
Level 1 Services: Up to three services at one point each.	3
Level 2 Services: Up to three services at two points each.	6
Level 3 Services: Up to three services at four points each.	12

In order to receive points for this scoring category, the applicant must submit in Tab L:

For Homebuyer Projects:

- **One** Form A: One Homeowner Investment Plan Matrix listing all services for the entire proposed project (found at the end of this Application Package);
- Form B: Homeowner Investment Plan Matrix for **each** service provider with original signatures (found at the end of this Application Package);
- A brief narrative explaining how these services will enhance the targeted population for the proposed project.

For Rental Projects:

- **One** Form C: One Tenant Investment Plan Matrix listing all services for the entire proposed project (found at the end of this Application Package);
- Form D: Tenant Investment Plan Matrix for **each** service provider with original signatures (found at the end of this Application Package);
- A brief narrative explaining how these services will enhance the targeted population for the proposed project.

Development Features — Category Maximum Points Possible: 25

This category describes the features of the overall proposed HOME project.

1) *Existing Structures* — *Maximum Number of Points: 4*

Points will be award to developments that will utilize existing structures on at least 50% of the HOME assisted units. This may include properties in which an original substandard unit will be demolished and replaced with a comparable unit. Per the federal regulations, when replacing existing affordable housing, the number of replacement units must be one-for-one.

Projects will be awarded up to two points between the first three categories below. Projects can score two additional points if the development contains at least one historic resource.

Existing Structure	Points
Project is developing at least 50% of the vacant structure(s) for housing; OR	2
Acquiring and/or rehabbing at least 50% of existing housing stock; OR	2
Project is demolishing at least 50% of existing substandard units and replacing with a new units.	2
Total Possible	**2**
Development contains at least one unit that is a historic resource to the existing neighborhood.	2
Total Possible for Existing Structures	**4**

In order to receive points, the applicant must submit in Tab M:

- Photographs of the building to be reused;
- Documentation of whether or not the building is occupied;
- Narrative of how building will be reused;
- Either a letter from the Department of Natural Resources Division of Historic Preservation and Archaeology that specifically identifies the site as an historic resource, or a copy of the county interim report or some equivalent county historical society

report identifying the property as either an historical resource or a contributing resource in an historic district.

2) *Infill* *Maximum Number of Points: 7*

Points will be awarded to applications that meet IHCDA's HOME criteria for Infill. For the HOME program, IHCDA defines infill housing as the process of vacant or underused parcels of land within existing areas that are already largely developed or previously developed. For purposes of this category, the following will not qualify as infill housing:

- Existing agricultural land except within corporate limits.

The development will receive points for contributing to the following infill attributes:

Infill Attribute	Points
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 they are part of a master plan or recorded instrument. IHCDA will look at the entire development site for phased developments.	2
The site must maximize the use of existing utilities and infrastructure.	2
At least one side of the development must be adjacent to occupied residential development, operating commercial development, active public space, or another active community activity.	2
The site demonstrates a return of cultural, social, recreational and entertainment opportunities, gathering places, and vitality to older centers and neighborhoods.	1

In order to receive points, the applicant must submit in Tab M:

- Aerial photos of the proposed site(s) with the site labeled;
- Brief description of how the site will return vitality to the neighborhood.
- For scattered site projects, 30% of the proposed sites must meet the infill attribute scoring criteria in order to receive the corresponding points.

3) Design Features *Maximum Number of Points: 3*

Points will be awarded for each Design Feature chosen, for a maximum of three points in this category.

Design Feature	Point
Exterior walls are at least 50% durable material (brick, stone, cement board).	1
Roofing system has at least a 30-year warranty.	1
Porch with a minimum of 48 square feet with a roof that is permanently attached to the residence.	1
The site demonstrates a return of cultural, social, recreational and entertainment opportunities, gathering places, and vitality to older centers and neighborhoods.	1
Deck with a minimum of 64 square feet that is made of wood or other approved materials.	1
Framing consists of 2" X 6" studs to allow for higher R-Value insulation in walls.	1
Garage with a minimum of 200 square feet that is made of approved materials, has	1

a roof, is enclosed on all sides and has at least one door for vehicle access.	
Crawl space or basement.	1
Security system.	1
Carport with a minimum of 200 square feet that is made of approved materials, has a roof, and is open on at least two sides.	1
Carbon monoxide detector.	1
Attached or unattached storage space measuring at least 5' x 6'.	1
Playground.	1
Community room.	1
Other	1

An applicant may submit as few as zero (0) and up to three (3) "other" design features for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible "other" design features before the application due date. Please list the "other" design feature(s) in the application forms.

4) *Universal Design Features* *Maximum Number of Points: 3*

Points will be awarded for each Universal Design Feature chosen, for a maximum of three points in this category.

Universal Design Feature	Point
42"or wider hallways	1
32"or wider doorways	1
Electrical outlets raised 15" to 18" above the finished floor	1
Light switches located 48" above the finished floor	1
Toggle, rocker, or touch sensitive control panels instead of switches	1
Wall reinforcements for hand rails/grab bars	1
Levers instead of door or faucet knobs	1
30"x 40" clear kitchen floor space	1
30" x 40"clear bathroom floor space, clear of door swing	1
A removable base cabinet for required knee space	1
Microwave provided at accessible height	1
A front control operated range	1
Sliding or bi-folding closet doors	1
Front loading washer and dryer with front controls	1
Reinforced ceiling	1
Accessible route that includes no steps or level changes	1
Fold down seat in shower or roll-in shower with no curb	1
Bathtub controls located off-center toward the outside of the tub	1
Adjustable height or hand-held shower with flexible hose	1
Side-by-side refrigerator	1
Remote controlled or motion sensor lighting	1
Adjustable counter top or closet rods	1
Audio and visual smoke detectors	1
Other	1

An applicant may submit as few as zero (0) and up to three (3) “other” universal design features for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible “other” universal design features before the application due date. Please list the “other” universal design feature(s) in the application forms.

5) *Energy Efficiency* *Maximum Number of Points: 3*

Points will be awarded for each Energy Efficiency item chosen, for a maximum of three points in this category.

Energy Efficiency Item	Point
Energy Star® Rated Compact florescent light bulbs - 1/room or 3/unit	1
Energy Star® Rated light fixtures - 1/room or 3/unit	1
Energy Star® Rated Programmable Thermostat	1
Energy Star® Rated Cooling system(s)	1
Energy Star® Rated Heating system(s)	1
Energy Star® Rated Windows	1
Energy Star® Rated Refrigerator	1
Energy Star® Rated Washing Machine	1
Energy Star® Rated Dish Washer	1
R-Value insulation exceeding Indiana State Building Code	1
Other	1

An applicant may submit as few as zero (0) and up to three (3) “other” energy efficiency features for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible “other” energy efficiency features before the application due date. Please list the “other” energy efficiency feature(s) in the application forms.

6) *Green Building* *Maximum Number of Points: 5*

Points will be awarded for EITHER up to three Green Building Techniques chosen.

Green Building Technique	Point
Orient structures on East/West axis for solar exposure	1
Include trees in landscaping to curb winter winds and provide shade	1
Low VOC paints and finish materials	1
Install flow reducers in faucets and showers	1
Incorporate permeable paving	1
Minimize the disruption of existing plants and trees	1
Include recycling bins in the kitchen	1
Install recycled content flooring and underlayment	1
Install a light colored roofing material	1
Other	1

An applicant may submit as few as zero (0) and up to three (3) “other” green building techniques for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible “other” green building techniques before the application due date. Please list the “other” green building technique(s) in the application forms.

OR

Five points will be awarded for committing the entire development newly constructed or rehabbed to NAHB, LEED, or Energy Star standards. The development need not be certified rather just built to the certification standards.

Readiness **Category Maximum Points Possible: 13**

This category describes the applicant's ability to begin and timely execute an awarded project.

1) *Client Intake* *Maximum Number of Points: 5*
Points will be awarded to applicants that have already begun the client intake process, according to the chart below. Client intake means that potential clients have been identified and income verified. If the applicant, sub-recipient, or administrator has already begun client intake, submit a copy of the client intake list in Tab N.

% of Assisted Units	Points
25 - 50% of the units	3
51 - 75% of the units	4
76 - 100% of the units	5

2) *Predevelopment Activities* *Maximum Number of Points: 5*
Points will be awarded to applicants that have completed some predevelopment activities according to the chart below. Up to five activities are eligible, up to five points. Points will only be awarded if the required supporting documentation, italicized below the activity description, are included in Tab N.

Predevelopment Activity Completed	Points
Site Control *Provide Purchase Option or Purchase Agreement that is no older than 6 months and that has an expiration date after the HOME application due date.*	1
Asbestos or Lead Testing *Submit a copy of the assessment report.*	1
Appraisal *Provide an Appraisal that is no older than 6 months.*	1
Preliminary or Final Architectural and/or Engineering Plans *Provide electronic copies of architectural and/or engineering plans.*	1
Zoning Approval *Provide a letter no older than 6 months from the local planning official that certifies the current zoning allows for construction and operation of the proposed development and any required variances that have been approved.*	1
Cost Estimates *Provide a copy of the cost estimates.*	1
Title Search *Submit evidence of clear title with a title insurance commitment, title search documentation or attorney's opinion letter.*	1
Other	1

An applicant may submit as few as zero (0) and up to five (5) “other” predevelopment activities for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible “other” predevelopment activities before the application due date. Please list the “other” predevelopment activities in the application forms.

Examples of “other” predevelopment activities that may be eligible for points in this category are as follows. Please provide the italicized documentation in Tab N to be eligible for points:

- Water available to site
    - *Provide a letter from the local utility company certifying that water is currently available to the site.*
- Sewer available to site
    - *Provide a letter from the local utility company certifying that water is currently available to the site.*
- Permits in place.
    - *Provide a letter from the local planning or building authority that all necessary permits for rehabilitation or construction have been obtained.*
- Property survey completed.
    - *Provide a copy of the survey.*
- For other predevelopment activities that may be eligible, please contact your Real Estate Production Analyst to discuss prior to submitting the application.

3) *Contractor Participation* *Maximum Number of Points: 3*

Points will be awarded to applicants who invite material participation of a state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and Service Disabled Veteran Owned Small Business (SDVOSB). Examples of material participation include property management, professional services, consultant, application preparer, administrator, etc.

In order to receive points, the applicant must submit in Tab N:

- A copy of letter inviting the state certified contractor to participate in the bidding of the project;
- A copy of the applicable state certification.

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 Minority & Women’s Business Enterprise Division or the Indiana Minority Supplier Development Council.

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

The Center for Veteran Enterprise maintains the Department of Veterans Affairs (VA) database of service-disabled Veteran owned small businesses (SDVOSB) and Veteran-owned small businesses (VOSB) called the Vendor Information Pages (VIP). The VIP database is accessed via www.VetBiz.gov. CVE performs the verification process for small businesses that self-represent themselves as Veteran owned and controlled called the VA VOSB Verification Program.

Eligible Certification Summary Table		
Certification	**Certifying Agency**	**Website**
MBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
	Indiana Minority Supplier Development Council	http://imsdc.org
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2576.htm
VOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/
SDVOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/

Capacity **Category Maximum Points Possible: 25**

This category evaluates the applicant's ability to successfully carry out the proposed project based on trainings, certifications and/or experience in housing or community development.

1) *Training* *Maximum Number of Points: 5*

Points will be awarded for a member of the development team, applicant, sub-recipient or administrator staff who has completed a housing or community development related training. Two points will be awarded for the first training and one point per additional training, up to five points possible.

Application/policy webinars, trainings and feedback sessions do not count for points in this category.

Attach copies of the training completion certificate or confirmation of attendance/completion in Tab O.

Training	Points
Housing or community development related training	3 for the first training, 1 point for each additional training up to 5 points total for this section

2) *Certification* *Maximum Number of Points: 5*

Points will be awarded for a member of the development team, applicant, sub-recipient or administrator staff who has completed the following certifications. Three points will be awarded for the Certified Aging-in-Place Specialist or Home Sweet Home: Modifications for Aging in Place (U of I/IHCDA) certification. One point will be awarded for all other certifications, up to five points.

Attach copies of the certification completion in Tab O.

Certification	Points
Certification from one of the certifications listed below	3 points for the Certified Aging-in-Place Specialist or Home Sweet Home: Modifications for Aging in Place (U of I/IHCDA) certification, 1 points for all other certifications, up to 5 points total for this section

Certification	Sponsoring Organization
Project Development Training	Indiana Association for Community and Economic Development (IACED)
Housing Development Finance Professional	National Development Council (NDC)
Community and Neighborhood Revitalization Certificate	NeighborWorks America
Bank of America Neighborhood Builder® Leadership Program	The Center for Leadership Innovation
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis / Indiana Housing and Community Development Authority
Grant Administration Certification	Office of Community and Rural Affairs, State of Indiana
Certified Occupancy Specialist (COS)	National Center for Housing Management
Certified HOME Program Specialist	HUD/CPD
Green Certification	LEED, NAHB or equivalent

3) *Experience* *Maximum Number of Points:* 5

Points will be awarded for a member of the applicant, sub-recipient or administrator staff with successful experience in administering an IHCDA award in the past five years. In order to qualify for points, the awards must be closed out. Please list the award numbers in the application forms.

Experience	Points
Applicant, sub-recipient or administrator staff member with experience administering at least two IHCDA HOME awards in the past five (5) years. **OR** Applicant, sub-recipient or administrator staff has five (5) or more years of experience in the housing or	2 for the first staff member, 1 point for each additional staff member, up to 5 points total for this section

community development industry.	

4) *Previous IHCDA Award Performance* *Maximum Number of Points: 10*
Points will be awarded to an applicant where the applicant, sub-recipient, AND administrator have not had any monitoring findings and who have expended award funds in a timely manner for all IHCDA awards in the past three years. Timely expenditure of funds includes lack of award extensions.

Description of Previous Award Performance	Points
Most recent HOME award had no findings and no concerns. Award must have closed within the last three (3) years.	10
Most recent HOME award had no findings, but concerns were noted. Award must have closed within the last three (3) years.	8
Most recent HOME award had only one finding. Award must have closed within the last three (3) years. **OR** No HOME experience, but previous IHCDA award (different activity) had no findings and no concerns. Award must have closed within the last three (3) years.	6
No HOME experience; previous IHCDA award (different activity) had no findings, but concerns were noted. Award must have closed within the last three (3) years.	4
No HOME experience; previous IHCDA award (different activity) had only one finding. Award must have closed within the last three (3) years.	2
Does not meet any category above. Examples: • More than one finding on previous award • No award closed within last three (3) years • No previous experience with IHCDA.	0

Financing **Category Maximum Points Possible: 10**

1) *Public Participation* *Maximum Number of Points: 5*

Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds. A "firm commitment" means that the funding does not require any further approvals. "Public funds" include federal, state, or local government funds. This can include funds awarded from other federal or state agencies, the Federal Home Loan Bank**,** or waivers resulting in quantifiable cost savings that are not required by federal or state law.

Points will be awarded based on the Amount of Public Participation Funding/Total Project Costs:

% of Total Development Cost	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

In order to qualify for points in this category the applicant must submit in Tab P a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

2) *Leveraging of Other Sources* *Maximum Number of Points: 5*

Points will be awarded to applicants whose proposed project has received a firm commitment to leverage other funding sources. A "firm commitment" means that the funding does not require any further approvals. "Other funding sources" include (but are not limited to) private funding, funds from a local community foundation, donations, etc.

Points will be awarded based on the amount of Other Funding Sources Leveraged/Total Project Costs:

% of Sources	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

In order to qualify for points in this category the applicant must submit in Tab P a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

Unique Features & Bonus **Category Maximum Points Possible: 10**

1) *Unique Features* *Maximum Number of Points: 5*

Points will be awarded to applicants that offer unique features that contribute to each of the beneficiary units of the proposed project. Unique features should be a creative addition to the proposed program. They should enhance the overall character of the project, improve the homeowners' and the community's quality of life, health, and/or safety. Unique features can be included in the financial structure of the project, involve members of the community, include items specific to the target area/project location or could include special services offered to the population served.

Points are awarded relative to other projects 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	4.5	4	3.5	3	2.5	2	1.5	1

In order to receive points in this category, the applicant must submit in Tab Q a narrative summary in of the proposed unique features. Features receiving points in other sections of this application will not be considered for Unique Feature points.

2) *Bonus* *Maximum Points Possible: 5*

The applicant will receive five (5) bonus points for answering all questions and turning in all required threshold documentation. Threshold documentation includes all scoring support documentation.

Glossary of Terms

Below are definitions for commonly used terminology found throughout the IHCDA HOME application policy and forms and applicable to the IHCDA HOME program.

Administrator: A procured entity that will assist carrying out the HOME award.

Aging in Place: - Aging in Place (AIP) refers to adapting our collective living environment so it is safer, more comfortable, and increases the likelihood a person can live independently and remain at home as circumstances change. Primary target populations for aging in place strategies are seniors, families with seniors, and persons with disabilities.

Beneficiary: The household or unit that received homeowner repair work as a result of the HOME award.

CHDO: A Community Housing Development Organization. A non-profit, community- based organization with the capacity to develop affordable housing for the community it serves, as defined in the HOME rule and as certified by IHCDA. Participating Jurisdictions (IHCDA) must set aside a minimum of 15% of their HOME allocations for activities in which CHDOs are the owners, developers, and/or sponsors of the housing.

Comprehensive Community Development: 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.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person’s major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: Elderly can have one of two definitions as elected by the applicant:

- A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older. For housing using this definition of elderly, at least 80% of the units must be age restricted; OR

- A person 62 years of age or older. This target population only includes households in which all household members are 62 years of age or older. For housing using this definition of elderly, 100% of the units must be age restricted.

HOME: The Home Investment Partnerships Program as created by the National Affordable Housing Act of 1990.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Large City: For purposes of this policy, a Large City is defined as a city with a population of 75,000 or more. To qualify as being located within a Large City, the development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

Median Income: A determination made through statistical methods establishing a middle point for determining Income Limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a document describing a bilateral or multilateral agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the project.

Project: The HOME activity proposed in the application.

Referral Agreement: An agreement in which the recipient and a qualified organization enter into an agreement in which the recipient agrees to (a) set aside a number of units at the project for a special needs population and (b) notify the qualified organization when vacancies occur, and in which the qualified organization agrees to (a) refer qualified households to the development and (b) notify clients of vacancies at the development.

Rent Limits: The HUD published maximum rent amount, including a utility allowance and any non-optional fees. Rent limits are published by bedroom size and by AMI level.

Rural: A development is considered to be rural if it meets one of the following criteria:

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 this glossary; 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 this glossary; 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 this glossary.

Small City: For purposes of this policy, a Small City is defined as a city with a population of between 15,000 and 74,999. To qualify as being located within a Small City, the development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

List of appendices to the IHCDA 2013 HOME Application:

Form A: Homeowner Investment Plan Matrix (for Homebuyer projects)

Form B: Homeowner Investment Plan Service Agreement (for Homebuyer projects)

Form C: Tenant Investment Plan Matrix (for Rental projects)

Form D: Tenant Investment Plan Service Agreement (for Rental projects)

Form E: Special Needs Referral Agreement

Form A: Homeowner Investment Plan Matrix

For Homebuyer Projects Only

Please fill out a Form A for each home in the project.

Service Provider/Beneficiary Information			
Project Name:			
Service Provider Name:			
Address of the beneficiary home:			
City:		County:	
Place a "X" next to the targeted population			
Households with persons with physical and/or development disabilities		Households persons with mental impairments	
		Households with elderly	

LEVEL 1 SERVICES = 1 Point per Service (up to 3 services for points = total 3 points possible)				
Homeowner Investment Plan Services & Description				
Service		Brief Description of Service	Location of Service	Points
☐	Food Pantry Referral			
☐	Clothing Pantry Referral			
☐	2-1-1/ Information & Referral			
☐	Smoking Cessation			
☐	Coupons to Local Public/ Private Facilities			

LEVEL 2 SERVICES = 2 Points per Service (up to 3 services for points = total 6 points possible)				
Homeowner Investment Plan Services & Description				
Service		Brief Description of Service	Location of Service	Points
☐	Computer Training Classes			
☐	Nutrition Classes/ Food Preparation Classes			
☐	Exercise Classes			
☐	Resume Building			
☐	GED/ Adult Education			
☐	Tax Preparation Assistance			
☐	Blood Pressure Screening			
☐	Other:			
☐	Other:			
☐	Other:			

LEVEL 3 SERVICES = 3 Points per Service (up to 4 services for points = 12 points possible)				
Homeowner Investment Plan Services & Description				
Service		Brief Description of Service	Location of Service	Points
☐	Homeowner Repair Instruction			
☐	Financial Literacy Instruction			
☐	Legal Planning Assistance			
☐	Emergency Response System			
☐	Medication Delivery			
☐	Home Healthcare			
☐	Employment Services/ Vocational Rehab			
☐	Meals on Wheels			
☐	Assisted Living			
☐	Adult Daycare/ Eldercare			
☐	Substance Abuse Treatment			
☐	Family Caregiver Support Program			
☐	HUD Certified Counseling (Please specify):			
☐	Other:			
☐	Other:			
☐	Other:			
☐	Other:			

Form B: Homeowner Investment Plan Service Agreement

For Homebuyer Projects Only

HOMEOWNER INVESTMENT PLAN SERVICE AGREEMENT

This agreement between (Applicant and Administrator (if applicable))_____, _____, and (Service Provider/Agent/Organization)_____, is to confirm the activities and/or incentives offered to beneficiaries of (HOME project name)_____. The Applicant/Administrator agrees that in partnering with the Service Provider/Agent/Organization, programs should be offered that are tailored to meet the needs of the beneficiary homeowners in an effort to encourage homeowners to invest in themselves, their home, and the overall well-being of the neighborhood and/or community.

It is agreed by all signing parties that the Homeowner Investment Plan **adds no extra cost to the homeowner or the overall HOME project budget.** It is understood that some classes/activities offered might require a maintenance fee and it is up to the sole discretion of the beneficiary homeowner to engage in that activity, service and/or incentive. That fee must be minimal. The Homeowner Investment Plan Services may target beneficiary homeowners of the HOME project but **must be optional and the repairs made to the beneficiary home/unit must not be contingent upon participating in the activities, services and/or incentives offered.**

The Applicant and/or Administrator also agree to fill out the Form A: Homeowner Investment Plan Matrix, and attach the form to this agreement, listing the services that will be offered to the beneficiary homeowners, a brief description of the service, where the service is being offered and the level of the service.

This agreement and the services offered and listed on the Form A: Homeowner Investment Plan Matrix shall remain in effect for the life of the IHCDA HOME award. The Applicant/Administrator will be responsible for maintaining all services for the life of the IHCDA HOME (even if the Applicant/Administrator is required to find a different provider who will provide the same or comparable services to benefit the residents). In the event that a different provider is needed, the Applicant/Administrator will request approval for the change via a modification request to IHCDA.

*Applicant Authorized Signatory*____
*Printed Name*_____ *Date*_____

*Service Provider/Agent/Organization*______________________________________
*Printed Name*_____ *Date*_____

Form C: Tenant Investment Plan Matrix

For Rental Projects Only

Development Information			
Project Name:			
Street Address (each address for scattered site):			
City/Cities:		County/Counties:	

Place a "X" next to the targeted population			
Persons with physical or development disabilities	☐	Persons with mental impairments	☐
The elderly	☐		☐
	☐		☐

LEVEL 1 SERVICES = 1 Point per Service (up to 3 services for points = total 3 points possible)					
Tenant Investment Plan Services & Description					
Service		**Brief Description of Service**	**On-Site/ Off-Site**	**Distance from Development**	**Service Provider**
☐	Food Pantry Referral				
☐	Clothing Pantry Referral				
☐	2-1-1/ Information & Referral				
☐	Smoking Cessation				
☐	Discount Program				
☐	Coupons to Local Public/ Private Facilities				
☐	Blood Pressure Screening				

☐	Stress Management				
☐	Quarterly Resident Meetings				
☐	Holiday Events				
☐	Recycling Program				
☐	Resident Liaison				
☐	Residents Association				
☐	Mentor Program				
☐	Monthly Development Newsletter				
☐	Monthly Activities Program				
☐	Neighborhood Watch Program				
☐	Other:				
☐	Other:				
☐	Other:				

LEVEL 2 SERVICES = 2 Points per Service (up to 3 services for points = total of 6 points possible)					
Tenant Investment Plan Services & Description					
Service		**Brief Description of Service**	**On-Site/ Off-Site**	**Distance from Development**	**Service Provider**
☐	Financial Literacy				
☐	Computer Training				
☐	Credit Counseling				
☐	Nutrition Classes				
☐	Exercise Classes				
☐	Resume Building				
☐	GED/Adult Education				

☐	Tax Preparation Assistance				
☐	Medicaid Waivers				
☐	Animal Therapy				
☐	Employment Services				
☐	Meals on Wheels				
☐	HIV Counseling, Testing & Education				
☐	Family Caregiver Support Program				
☐	Symptom Management				
☐	Other:				
☐	Other:				
☐	Other:				

LEVEL 3 SERVICES = 3 Points per Service (up to 4 services for points = 12 points)					
Tenant Investment Plan Services & Description					
Service		**Brief Description of Service**	**On-Site/ Off-Site**	**Distance from Development**	**Service Provider**
☐	Transportation				
☐	Parenting Classes/ Early Childhood Development				
☐	Light Housekeeping				
☐	Outpatient Rehab				
☐	Physical Therapy				
☐	Medication Delivery				
☐	Home Healthcare				

☐	Dental Services				
☐	Assisted Living				
☐	Alzheimer's Care				
☐	Vocational Rehab Services				
☐	Adult Daycare/Eldercare				
☐	Substance Abuse Treatment				
☐	Case Manager				
☐	TIP Coordinator				
☐	Utility Assistance				
☐	Other:				
☐	Other:				
☐	Other:				

Form D: Tenant Investment Plan Service Agreement

Service Provider/ Agent/ Organization			
Name:			
Street Address:			
City:		County:	
Place a "X" next to the targeted population			
Persons with physical or development	☐	Persons with mental impairments	☐

This agreement between (Owner)_____, (Management Agent)_____, and (Service Provider/Agent/Organization)_____, is to confirm the activities and/or incentives offered to residents of (HOME project name)_____. The Owner and Management Agent agree that in partnering with the Service Provider/Agent/Organization, the development should offer programs that are tailored to the needs of the targeted tenants and encourage tenants to invest in the overall well-being, neighborhood/multi-family community, and/or environment.

It is agreed by all signing parties that the Tenant Investment Plan **adds no extra cost to the tenant.** It is understood; that some classes/activities offered might require a maintenance fee. This fee must remain minimal. Tenant Investment Plan Services may target specific tenants of the development **but must be optional and inclusive to tenants of both HOME assisted and Market Rate units within the development.**

The Owner and Management Agent also agree to fill out Exhibit C: Tenant Investment Plan Matrix, and attach the form to this agreement, listing the services that will be offered to the tenants, a brief description of the service, where the service is being offered (on-site/off-site), the distance from the development (if offered off-site), and the service provider.

This agreement and the services listed on Exhibit C: Tenant Investment Plan Matrix shall remain in effect for the life of the development. The owner/management agent will be responsible for maintaining all services for the life of the development (even if the owner is required to different provider who will provide the same or comparable services to benefit the residents).

*Owner Authorized Signatory*____
*Printed Name*_________ *Date*_________

*Management Agent*____
*Printed Name*_________ *Date* _________

*Service Provider/Agent/Organization*___________________________________
*Printed Name*_________ *Date*_________

Form E: Special Needs Population Referral Agreement

This form is required for Rental Projects claiming points for Option 2 under Targeted Populations (Project Characteristics tab in the 2013 HOME Application Forms). Submit in Tab L.

Development Name and Location			
Development Name:			
Street Address:			
City:		County:	

Development Summary			
Construction Type:	[NC/Rehab]	Property Type:	[Family/Elderly]
Total Number of Units:		Total Number of Special Need Units:	
Estimated Month/Year Of First Certificate Of Occupancy:			

Contact Information			
	Owner	Management Agent	Referral Agency
Organization			
Address			
City, State, Zip			
Primary Contact			
Title			
Phone 1			
Phone 2			
Email			

Set-aside Special Housing Needs Population (place a “X” next to the targeted population)			
Persons with physical or development disabilities		Persons with mental impairments	

Unit Information			
	Total # of Units	Total # of Accessible Units	Smallest Sq. Ft Unit
0 - BR			
1 - BR			
2 - BR			
3 - BR			
4 - BR			

Describe any adaptability, accessibility, assistive technology, or security features.

Describe any community space being developed or rehabbed.

Access To Community Features and Public Transportation					
Community Feature	Miles	Community Feature	Miles	Community Feature	Miles
Doctor Office		Dentist Office		Optometrist Office	
Hospital		Pharmacy		Post Office	
Library		Public Park		Public Transp. Stop	
Community/Senior Center		Public Safety (Fire/Policy)		Outdoor Athletic Fields/Courts	
Grocery Store		Convenience Store		Bank/Credit Union	
School		Day Care/After School		Major Employer	

List the number of units in the property supported by each type of subsidy.					
HUD PBRA		USDA PBRA		Medicaid Waiver	
McKinney-Vento		Public Housing		Other	
Describe “Other” Subsidy					

Describe the eligibility criteria (income limit, etc.) for subsidy programs.

Explain how the special needs referrals will be given preference in relationship to any wait list and preference policies of subsidies.

Describe the services that are administered and provided to the Special Housing Need Population checked above by the Local Referral Agency.

CERTIFICATION AND MEMORANDUM OF UNDERSTANDING

WHEREAS **[Insert Owner] [was awarded or anticipates receiving an award of]** HOME funds from the Indiana Housing and Community Development Authority (IHCDA) to finance and build **[XX]** apartment units, known as **[Insert Development Name]** in **[City],** Indiana; and

[Insert Local Referral Agency] provides, coordinates, or represents agencies that provide direct community-based services in the **[City]** area to these populations; and

[Insert Local Referral Agency] seeks to expand and support affordable housing opportunities for special housing needs population in their communities;

THEREFORE, **[Insert Owner]** and **[Insert Local Referral Agency]** and **[Insert Property Management Company]** agree to the following partnership to set-aside **[XX]** apartment units within the **[Insert Development Name]** apartment complex for the special housing needs populations checked above.

[Insert Owner] shall:

- Agree that the **[XX]** set-aside units will not be segregated within the property or in any way be distinguishable (beyond the presence of accessible features or assistive technology) from non-set-aside units, and that the set-aside unit mix will depend on the needs of referred households.
- Assure that **[Insert Local Referral Agency]** is notified when vacancies occur.

[Insert Local Referral Agency] shall:

- Agree to refer qualified households to the **[Insert Development Name].**
- Agree to notify households of the vacancies.
- Facilitate access to an array of supportive services for the special housing need population. These services shall be available to tenants on an as-needed basis, and receipt of these or any other services shall not be a condition of tenancy.

[Insert Property Management Company] shall:

- Educate initial and subsequent on-site property managers on the set-aside units and contact information for the **[Insert Local Referral Agency].**
- Agree that the **[XX]** set-aside units will not be segregated within the property or in any way be distinguishable (beyond the presence of accessible features or assistive technology) from non-set-aside units and that set-aside unit mix will depend on the needs of referred households.
- Screen all referred applicants using established selection tenant criteria.
- Include language on Reasonable Accommodations on its application for tenancy.
- Facilitate communication with **[Insert Local Referral Agency]** by designating in the event of staff turnover, a named individual as the primary contact.

All parties to this Agreement shall:

- Agree that **[Insert Owner]** and **[Insert Property Management Company]** are responsible for meeting compliance requirements established by HUD and IHCDA.

- Agree that **[Insert Owner]** and **[Insert Property Management Company]** are responsible for maintaining the property for the benefit of all tenants.
- Agree that the provisions and the spirit of this agreement not withstanding, decisions on the admittance and/or retention of tenants according to Fair Housing and the responsibility of the **[Insert Property Management Company].**
- Agree that tenant participate in supportive services will not be a condition of tenancy.

IN WITNESS WHEREOF, the parties have executed, or caused this agreement to be executed by their duly authorized representatives, as of the date below written.

____

[Insert Owner Name], Owner Signature **Date**

____

[Insert Management Contact Name], Management Signature **Date**

____

[Insert Local Referral Agency Name], Local Referral Agency Signature **Date**

IHCDA CDBG 2013 OOR
Round 2 Application Packet

Application Process

Overview

The purpose of this application is to provide subsidies in the form of grants to selected applicants for the rehabilitation of owner-occupied housing for low and moderate-income people. Through this program, IHCDA seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate Community Development Block Grant funds to be used for Owner-Occupied Repair (CDBG OOR) among selected applicants having projects that meet the requirements of the program and IHCDA's goals for the program:

1. Demonstrate they are meeting the needs of their specific community.
2. Attempt to reach low and very low-income levels of area median income.
3. Are ready to proceed with the activity upon receipt of the award.
4. Propose to revitalize existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan).
5. Propose projects that promote aging in place strategies for seniors, families with seniors, and persons with disabilities.
6. Propose projects that promote healthy family strategies for families with children under the age of 18.
7. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.
8. Propose the use of Minority Business Enterprise and/or Women-Owned Business Enterprise and Indiana contractors, employees, and products when applicants are planning and undertaking their housing activities.

Funding Round Timelines

Note: This is an anticipated schedule and is subject to change or extension.

Round 1

Application Webinar	May 2013
Application Due Date	June 28, 2013
Award Announcements	August 22, 2013
Award Workshop	September 2013

Round 2

Application Webinar	January 17, 2014; 10-11 a.m.
Application Due Date	February 28, 2014
Award Announcements	April 24, 2014
Award Workshop	May 2014

Application Webinar
An application webinar will be conducted prior to each application deadline. During the webinar, the IHCDA Real Estate Production Department staff will describe the requirements of the CDBG OOR program, threshold and scoring criteria, how to complete the required forms and how to utilize the FTP site. Local Units of Government and Not-for-Profit entities intending to apply are *required* to attend.

Technical Assistance
The applicant may, but is not required, to schedule a technical assistance meeting with its regional IHCDA Real Estate Production Analyst to discuss both the proposed project and IHCDA's application process. Technical assistance may be required at IHCDA's discretion if the recipient does not have experience with IHCDA awards or if past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

Application Submission
The applicant must submit the following items to IHCDA's Real Estate Department Coordinator:

- Via FTP site:
    - One completed copy of the final application forms
    - All supporting documents required in the tabs
- Via hard copy:
    - One completed copy of the final application forms with original signatures

All required application items are due no later than 5:00 p.m. Indianapolis time on or before the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Instructions on how to utilize the FTP site will be explained during the Application Webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: CDBG OOR Application
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

IHCDA will provide the applicant contact with a confirmation number within one (1) week of receipt of the application.

Application Review
Each application must address only one project. Applications are reviewed in a three-step process:

Step One - Completeness	On or before the application deadline, the applicant must provide all required documents, signatures and attachments.

Step Two - Threshold	The application must meet each of the applicable threshold criteria.
Step Three - Scoring	Applications that pass the completeness and threshold reviews are then scored according to IHCDA's published scoring criteria.

After threshold and scoring review, IHDCA staff may contact an applicant to request clarification of information contained in the pending application. The applicant will have the opportunity to respond on or before the due date provided by IHCDA. If the applicant does not respond to the clarification letter and therefore threshold and/or scoring item(s) are still in question, the application will be disqualified. Applications may have no more than three outstanding threshold and/or scoring clarifications after the second review or the application will be disqualified. Points will be awarded to those applications where no clarifications are required.

Funded applications will be announced at the published IHCDA Board Meeting date. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified by IHCDA via a denial letter and score sheets being uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications not funded will not be rolled over into the next funding round.

Minimum Score Requirement

An application must score at least 70 points to be considered for funding.

CDBG & HOME Award Compliance Manual

The Compliance Manual outlines the requirements for administering IHCDA's CDBG awards. A complete copy of the Compliance Manual is available on IHCDA's website here:
http://www.in.gov/myihcda/2342.htm

Award Compliance Trainings

IHCDA will offer a training to explain the various aspects of the regulatory requirements for administering the award. Topics covered will include funds management, required record keeping, and forms and reports that must be submitted to IHCDA. In addition, IHCDA staff will be available to provide one-on-one award trainings upon request. All new applicants and those who have had difficulty administering awards in the past are strongly encouraged to take advantage of these trainings.

Eligible Applicants

Community Development Block Grant (CDBG)	Cities, Town, and Counties (Non-CDBG Entitlement Community	Community Housing Development Organization (CHDO)	501(c)3 and 501(c)4 Not-for-Profit Organizations	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Owner-Occupied Rehabilitation	X	Not eligible.	Not eligible.	Not eligible.	Not eligible.
Community Development Block Grant Disaster (CDBG-D)	Cities, Town, and Counties (Non-CDBG Entitlement Community	Community Housing Development Organization (CHDO)	501(c)3 and 501(c)4 Not-for-Profit Organizations	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Owner-Occupied Rehabilitation	X	Not eligible.	X	Not eligible.	Not eligible.

CDBG OOR Funds

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of CDBG entitlement communities and whose proposed activities are consistent with the State's HUD-approved Consolidated Plan. Not-for-profit 501(c)3 or 501(c)4 organizations, CHDOs, public housing authorities, regional planning commissions, or townships are encouraged to participate in activities as subrecipients of local units of government but must apply through a sponsoring eligible city, town, or county.

The following entitlement communities are not eligible to apply for CDBG funds:

Anderson	East Chicago	Gary	Indianapolis**	LaPorte	New Albany
Bloomington	Elkhart	Goshen	Kokomo	Michigan City	South Bend
Carmel	Evansville	Hamilton County*	Lafayette	Mishawaka	Terre Haute
Columbus	Fort Wayne	Hammond	Lake County	Muncie	West Lafayette

*The Town of Sheridan excluded when the housing activity is outside of Hamilton County. The Town of Arcadia is excluded.

**Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is outside of Marion County.

CDBG Disaster OOR Funds

Eligible applicants include not-for-profit 501(c)3 or 501(c)4 organizations, cities, towns, or counties that are located in Indiana, whose proposed activities are consistent with the State's HUD-approved Disaster Plan and are NOT located in the one of the following ineligible CDBG Disaster (CDBG-D) counties:

Blackford	Clinton	Delaware	Howard	Lagrange
Miami	Steuben	Tipton	Warren	Wells

Ineligible Applicants

IHCDA reserves the right to disqualify from funding any application that has either an applicant, subrecipient, administrator, preparer or related parties of any of the aforementioned has a history of disregarding the policies, procedures, or staff directives associated with administering any program administered by IHCDA or programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, or the Federal Home Loan Bank.

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in the Compliance Manual Chapter 17.

Religious and Faith-Based Organizations

Organizations that are religious or faith-based are eligible to participate in the CDBG programs on the same basis as any other organization. Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation must be voluntary for the beneficiaries of the assistance provided.

A religious organization that participates in the CDBG program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct CDBG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, a CDBG-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents. An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

Eligible Activities & Program Requirements

Eligible Activities
This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation of owner-occupied housing.

- To be eligible for owner-occupied repair (OOR), the homeowner beneficiary must be low-income and must occupy the property as a principal residence. A household owns a property if that household:
  - Has fee simple title to the property; or
  - Maintains a 99-year leasehold interest in the property; or
  - Owns a condominium; or
  - Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
  - Maintains an equivalent form of ownership approved by HUD.
  - Ownership **does not** include life estates and land contracts/contracts for deeds.
  - The property cannot be located in a 100-year flood plain.
- Eligible repairs include:
  - Minor repairs which can include an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
  - Any major household system repaired or replaced as part of the rehabilitation process must meet the stricter of the Indiana State Building Code or local building codes.
  - Funds may be used to remedy conditions that, while not posing an immediate threat to health and safety, represent an ongoing threat to the structural integrity of a building and may eventually result in an emergency situation.
- Rehabilitation of owner-occupied manufactured homes. Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
  - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
    - Shall have been constructed after January 1, 1981, and must exceed nine hundred fifty (950) square feet of occupied space per I.C. 36-7-4-1106 (d);
    - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
    - Has wheels, axles and towing chassis removed;
    - Has a pitched roof;
    - Consists of two (2) or more sections which, when joined, have a minimum dimension of 20' X 47.5' enclosing occupied space; and
    - Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
    - All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCDA.

Ineligible Activities

Eligible housing activities **do not** include:

- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- The provision of project-based tenant rental assistance;
- Rehabilitation of mobile homes;
- Acquisition, rehabilitation, or new construction located within the boundaries of a one hundred (100)-year floodplain;
- Rehabilitation of multi-family or single-family rental housing.

IHCDA **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- 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.

OOR Program Requirements

The proposed CDBG OOR project must follow these minimum requirements, and all other requirements laid forth in the Compliance Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's Compliance Manual. The link and the appropriate chapter are included.

- Recipients must comply with all regulatory requirements listed in 24 CFR Part 570.
- The homeowner beneficiary must be income eligible. Each household must have an annual income equal to or less than 80% of the area median family income for the target area. The HUD Part 5 definition of income applies. (IHCDA Compliance Manual, Income Verification Chapter 8)
- Each homeowner beneficiary assisted with CDBG-D funds must execute a Duplication of Benefits Affidavit ("Affidavit") a copy of which will be attached to the applicant's award agreement with IHCDA as Appendix A. This Affidavit must be maintained in the applicant's client files.
- Income verification is valid for a period of six months. If more than six months pass between income verification and contract execution a new income verification will be completed. (IHCDA Compliance Manual, Income Verification Chapter 8)
- The homeowner beneficiary must own the property and must occupy the property as a principal residence. (IHCDA Compliance Manual, Policy Requirements Chapter 1)
    - If there is a long-term lease agreement on the property, a 99-year lease must be recorded in the county recorder's office of the county in which the property is located prior to award document preparation.
    - Ownership does not include life estates and land contracts/contracts for deeds.
- All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur at the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections. (IHCDA Compliance Manual, Construction Standards & Physical Inspections Chapter 14)

- Provide a minimum of two (2) public hearings, each at a different stage of the process, for the purpose of obtaining citizens' input and responding to proposals and questions. (IHCDA Compliance Manual, Policy Requirements Chapter 1)
- The match/leverage requirement for both the CDBG and CDBG-D programs is ten percent (10%) of the total amount of CDBG or CDBG-D funds drawn minus administration costs. (IHCDA Compliance Manual, Policy Requirements Chapter 1)
- All awarded recipients are required to complete the environmental review record (ERR) The resulting IHCDA Release of Funds is required before fully executed award documents are released and before proceeding with the project. (IHCDA Compliance Manual, Environmental Review Chapter 11). For more information, contact the IHCDA Design and Construction Review Manager.
- Award recipients will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award. Additionally, owner-occupied rehabilitation must also stipulate that adequate property insurance be maintained throughout the affordability period. (IHCDA Compliance Manual, Procurement Procedures Chapter 10)
- The recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the CDBG award. (IHCDA Compliance Manual, Procurement Procedures Chapter 10)
- Each recipient of a CDBG award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed. (IHCDA Compliance Manual, Lead Based Paint Chapter 2)
- Each recipient of a CDBG award is subject to the requirements of the Uniform Relocation Act. See the IHCDA's Compliance Manual Chapter 4 on URA for guidance on the regulatory requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.
- Every recipient must demonstrate that it will complete an action to affirmatively further fair housing during the time frame of an award. (IHCDA Compliance Manual, Fair Housing and Civil Rights Chapter 5)
- Recipients receiving $200,000 or more in construction funding from all CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects. (IHCDA Compliance Manual, Section 3 Chapter 7)
- All CDBG and CDBG-D subsidies must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The affordability period begins after project completion. During the affordability period the home must remain the owner's principal place of residency; and the homeowner is required to maintain adequate homeowner insurance on the property. (IHCDA Compliance Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15)

Amount of CDBG or CDBG-D subsidy per unit:	Affordability Period
Under $5,000	1 year
$5,000.01 - $10,000	2 years

Amount of CDBG or CDBG-D subsidy per unit:	Affordability Period
Over $10,000.	3 years

- If the homeowner sells the property to another a low-income family that will use the property as its principal residence throughout the remainder of the affordability period, the homeowner will not be required to repay the funds. The term "low income family" shall mean a family whose gross annual income does not exceed eighty percent (80%) of the median family income for the geographic area published annually by HUD. The purchasing family should pay no more than twenty-nine percent (29%) of its gross family income towards the principal, interest, taxes, and insurance for the property on a monthly basis. The homeowner selling the property will be allowed to receive a fair return on investment, which will include the homeowner's investment and any capital improvements made to the property. The award recipient must execute a lien and restrictive covenant prepared by IHCDA. The award recipient is ultimately responsible for repaying IHCDA any CDBG or CDBG-D funds invested into any unit that does not meet the affordability requirements throughout the Affordability Period. The Affordability Period is based upon the total amount of CDBG or CDBG-D funds invested into the unit. (IHCDA Compliance Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15)
- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.
-

Subsidy Limitations & Eligible Activity Costs

Subsidy & Budget Limitations
The maximum request amount per application is $350,000.

CDBG and CDBG-D funds may not exceed $25,000 per unit.

Combined CDBG and CDBG-D funds budgeted for program delivery, award administration, and environmental review cannot exceed twenty percent (20%) of the CDBG award.

Eligible Activity Costs
The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

RETAINAGE POLICY - IHCDA will hold the final $5,000.00 of an award until the completion reports, leverage documentation, and closeout documentation is received and approved. Additionally, IHCDA will hold the final $5,000.00 of an award until the final monitoring and final inspection have been completed and all findings and/or concerns associated with them have been resolved.

REHABILITATION – Eligible costs include:

- Hard costs associated with rehabilitation activities for owner-occupied repairs. Examples of eligible repairs are an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
- Lead-based paint interim controls and abatement costs.
- Mold remediation.
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served.

PROGRAM DELIVERY - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed twenty percent (20%) of the CDBG request. Recipients are allowed to draw down this line item as costs are incurred. Additionally, program delivery may be used to payoff a HOME CHDO Predevelopment or CHDO Seed Money loan but may not exceed the twenty percent (20%) line item cap.

Eligible costs include:

- Engineering/Architectural Plans
- Credit reports
- Client in-take / Income verification
- Plans, specifications, work write-ups
- Credit reports
- Title Searches
- Impact fees
- Inspections
- Cost estimates
- Building permits
- Recording fees
- Demolition permits
- Travel to and from the site
- Legal and accounting fees

RELOCATION - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, nonprofit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCDA's Compliance Manual.

LEAD HAZARD TESTING – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are $1000.00 per unit.

ADMINISTRATION - The administration line item includes those costs directly related to administering the IHCDA award and complying with the regulations associated with these funds. This line item along with program delivery and environmental review cannot exceed twenty percent (20%) of the CDBG request and generally is between $5,000 and $10,000. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCDA are <u>not eligible</u> for reimbursement through a CDBG award.

Eligible costs include:

- Postage
- Office materials and supplies
- Photocopying
- Office rent and utilities
- Travel related to the housing activity
- Communication costs
- Lead based paint training
- Staff time or professional services related to reporting, compliance, monitoring, or financial management
- Training related to the housing activity

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the Environmental Review Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the Program Delivery line item. This line item along with program delivery and administration cannot exceed twenty percent (20%) of the CDBG request. Eligible costs for this line item are generally between $2,000 and $5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCDA Compliance Manual or contact Adrienne Schmetzer, IHCDA Design and Construction Review Manager.

<u>Ineligible Activity Costs</u>

- Commercial development costs - CDBG awards cannot be used to underwrite any portion of commercial development costs.
- Replacement Reserves – Funds used to initially capitalize a reserve fund used for major capital repairs to a permanent supportive or rental housing facility. These funds cannot be applied to a CDBG award. These funds can be capitalized either through operating cash flow or through the development budget on the Uses of Funds exhibit.
- Operating Reserves – Funds used to initially capitalize a reserve fund that covers operating expenses when there are rental income shortfalls over the life of a permanent supportive or rental development. This line item <u>must be</u> included on the Uses of Funds exhibit. These funds cannot be applied to a CDBG award.
- Developer's Fee – CDBG funds cannot be used to pay developer's fees.

- Costs associated with preparing an application for funding through IHCDA.
- Purchase or installation of luxury items, such as swimming pools or hot tubs.
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Purchase or installation of stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners.
- Providing tenant based rental assistance.
- Mortgage default/delinquency correction or avoidance.
- Loan guarantees.
- Annual contributions for operation of public housing.
- Costs associated with any financial audit of the recipient.

Completeness & Threshold Criteria

Each proposed project must satisfy the Federal requirements of the CDBG program and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the criteria listed below.

Completeness

- Timeliness – All documentation must be turned in by the application due date.
  - On or before the application deadline, the applicant must provide all documentation as instructed in this Application Process Handbook as well as required documentation listed in the CDBG Application Form.
  - If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
  - Any forms that are late will be denied review and will be sent back to the applicant.
- Responsiveness – All questions must be answered and all supporting documentation must be provided.
  - The applicant must provide all documentation as instructed in this Application Process Handbook as well as required documentation listed in the CDBG Application Forms.
  - The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
  - Required signatures must be originally signed.

Completeness Checklist	Y *or* N
Is every question answered?	
Are all required signature pages signed?	
Was the Application Form uploaded to the FTP site by the due date?	
Are all required Tab Attachments uploaded to the FTP site by the due date?	
Was a hard copy of the Application Form with original signatures sent to IHCDA by the due date?	

Threshold Guidance & Checklist

Items that must be submitted as part of Threshold Review are indicated in italics. After initial threshold review, IHCDA staff may contact the applicant for further clarification of an item. Failure to respond to the requested threshold clarification items by the due date and in the manner requested will result in application denial.

TAB	DESCRIPTION	INCLUDED AS ATTACHMENT? Y *or* N *or* NA
Application Cover Page		
A	The Applicant must maintain System for Award Management ("SAM"), formerly Central Contractor Registration ("CCR"). www.sam.gov *Provide proof of SAM registration and/or status*.	
Application Summary		
B	If the proposed project previously received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development office. *Provide copy of the letter along with proof of sending.*	
C	If applicant is a Not-for-Profit organization, a letter of notification of the proposed project should be sent to the highest elected official in the project area's Local Unit of Government. *Provide a copy of the letter along with proof of sending.*	
D	Not-for-Profit applicants, subrecipients, and administrators organized under the State of Indiana must provide proof of organization and that they are in good standing. *Submit a copy of the Certificate of existence from the Indiana Secretary of State that is no more than six months old.*	
E	Environmental Review Record – Please refer to the Environmental Review Guide for specific details on completing the ERR. *Submit the completed Part 1 (Exhibits A-F) ERR forms, the original publisher's affidavit, flood determinations, site specific photographs (if available) and an OOR Priority Checklist (if available) for each identified home. The OOR Priority Checklist can be found as an appendix at the end of this Application Packet document.*	
	Maximum Income Levels Applicants may find the IHCDA 2013 Federal Program Income Limits as RED Notice RED-13-09 or here.	
Project Narrative		
	It is important that the project is well planned and that the proposed project will satisfy a housing need in your area – i.e. the need for owner-occupied rehabilitation for a specific population. Address the following items when describing the project. You can also find these items on the application form by floating your cursor over the narrative questions.	

	1) Project Description: Describe the project concept, including the rationale for selecting the current project form, and details of the project including size, number of units, location, etc.	
	2) Amenities in and around the project: Describe the amenities that the project will provide to beneficiaries along with amenities within close proximity to the project area that beneficiaries will benefit from.	
	3) Area's needs the project will meet: Describe the community need for the project along with the impact the project will have on the community as a whole.	
	4) Community support and/or opposition to the project: Describe the support and/or opposition the community has for the project. List community leadership (individuals, agencies, elected officials, organizations, etc.) that support and/or oppose the project. Also describe any public outreach that has taken place to ensure/gain community support for the project.	
	5) Constituency served by the project: Describe the project's intended customers or beneficiaries and discuss the project's impact on those individuals or families. Please explain why the proposed project is the best possible solution for the beneficiaries.	
	6) Partnerships created to enhance the project: Identify the partnerships, formal and informal, that were created as a result of the project concept and the role the partnerships have in the project?	
	7) Project quality: Describe the elements of the project (can include services provided, materials used, organizational/financial support, etc.) that will help produce a high quality project for both the beneficiaries and the community.	
F	8) Target area: Describe the project location and why this area was selected. The target area is the geographic location in which a potential housing project may take place. Depending on how urban or rural the surroundings, it might be as small as a neighborhood or as large as a county. Describe how you determined this was the appropriate area for your project. *Attach a scaled map that includes: the project area boundaries and the specific OOR sites with a map key labeling the site addresses. If the project is in multiple counties, please submit a labeled county map for each county that includes the specific OOR sites with a map key labeling the site addresses. Attach in Tab F.*	
	9) Effective use of resources: Describe the steps taken by your organization to ensure resources, both non-IHCDA and IHCDA funds, are being used effectively to positively impact beneficiaries and the community.	
	10) Unique features: **Briefly** describe the unique features of the project. If you are proposing any features unique to the OOR program, describe them here. Unique Features should be a creative addition to	

	the proposed OOR program. They should enhance the overall character of your project, improve the homeowners' and the community's quality of life, health, and safety. Unique features can be included in the financial structure of the project, involve members of the community, include items specific to the target area/project location or could include special services offered to the population served.	
	Services: **Briefly** describe any services that will be provided to beneficiaries. More information and supporting documentation will be required later in the application.	
Leverage		
G	Leverage Spreadsheet *Submit a completed Leverage Spreadsheet with all required support documents.*	
G	Commitment Letters *Provide originally signed Letters of Commitment for any match/leverage or other sources contributing to the project.*	
Sources and Uses		
H	List all sources of grants to the project that do not require repayment. Also, list the IHCDA award request amount made in this application.	
H	*Attach letters of commitment from all other funders in Tab H.*	
H	List all sources of private or public cash donations to the project. *Attach letters of commitment in Tab H.*	
H	List all in-kind contributions to the development phase of the housing activity, including construction, materials, volunteer labor, waived fees, portion of sale price below appraised value, etc. *Attach letters of commitment, appraisal, or purchase agreement in TAB H.*	
Readiness		
J	Public Hearings Two public hearings are required. One public hearing MUST occur prior to application. The following is required in order for the applicant to meet threshold requirements. *Provide the ALL of the following in Tab J:* • *Original tear sheet or original publisher's affidavit of legal notice that includes the date of the public hearing and the date of notice publication. Under Indiana Code (I.C. 5-3-1-2 (B)) there must be a minimum of one legal notice at least ten (10) calendar days prior to the public hearing.* • *Describe methods used to solicit participation of low and moderate-income persons.* • *A copy of the sign-in sheet.* • *A copy of the minutes of the public hearing, which must*	

	include the date and time of the meeting, the name and title of the person running the meeting and anyone who presented at the meeting, and all content posed to the public. *Describe any comments/complaints received and responses to the comments/complaints.*	
J	Predevelopment Activities If applicable, submit a description and a timeline of any completed predevelopment activities.	
Displacement Assessment & Plan		
M	Please fill out the Displacement Assessment and Displacement Plan tabs in the application forms. Place all supporting documentation, if necessary, in Tab M.	

Scoring Guidance & Checklist

Items that must be submitted as part of Scoring Review are indicated in italics. After initial scoring review, IHCDA staff may contact the applicant for further clarification of an item. Failure to respond to the requested scoring clarification items by the due date and in the manner requested will result in application denial. More scoring guidance and information can be found beginning on page 21 of this Applicant Packet.

TAB	DESCRIPTION	INCLUDED AS ATTACHMENT? **Y** *or* **N** *or* **NA**
Project Characteristics – See Page 20 of this document for more details.		
I	Aging in Place: Narrative *Submit a narrative explaining the specific proposed OOR improvements for the AIP project and how these improvements will enhance accessibility, livability and visitability. Attach in Tab I.*	
	Comprehensive Community Development: Narrative An explanation of how this project is part of a larger revitalization effort will be explained by answering the questions in the Narrative and Need section of the application.	

I	Comprehensive Community Development OOR Projects: Evidence of a Plan
	
	Submit ALL OF THE BELOW in Tab I as evidence that this project is part of a comprehensive revitalization or development plan:
	▪ *Copy of the entire plan;*
	▪ *A short narrative about the efforts that lead to the creation of the plan and how the need for owner-occupied rehabilitation was identified as an area need to be included in the plan;*
	▪ *A bulleted list that includes page numbers of where to find:*
	    ○ *References to the need for affordable owner-occupied rehabilitation in the project target area*
	    ○ *An evaluation of current area conditions*
	    ○ *Public participation*	

I	Comprehensive Community Development OOR projects: Target Area *Submit a scaled map that includes the project area boundaries and the specific OOR sites with a map key labeling the site addresses. Clearly label the boundaries and indicate the size of the target area. Attach in Tab I.*	
I	Comprehensive Community Development OOR projects: Evidence of Adoption *Submit a copy of the resolution by the Local Unit of Government adopting the plan in Tab I.*	
I	Comprehensive Community Development OOR projects: Local Support *Submit a letter from the highest elected local official certifying that the OOR project will assist in the revitalization of the specific neighborhood or area. Attach in Tab I.*	

I	Services: ▪ ***One** Form A: Homeowner Investment Plan Matrix listing all services for the entire proposed OOR program (found at the end of this Application Package);* ▪ *Form B: Homeowner Investment Plan Matrix for **each** service provider with original signatures (found at the end of this Application Package);* ▪ *A brief narrative explaining how these services will enhance the targeted population for the proposed OOR project.*	
Readiness		
J	Client Intake Applicant, sub-recipient, or administrator has already begun client intake. Client intake must include income verification. Beneficiaries that have not been appropriately income-verified per the HUD Part 5 definition should not be included in the list. List needs to include client name and information pertinent to the target population being served. *Submit a copy of the Client Intake list in Tab J.*	
Capacity		
K	Training Points will be awarded for a member of the applicant, sub-recipient or administrator staff who has participated in a housing or community development related training in the past 24 months. *Attach copies of the training completion certificate(s) in Tab K.*	
K	Certification Points will be awarded for a member of the applicant, sub-recipient or administrator staff who has completed the following certifications (see list on Page 23 of this document) within the past three years. *Attach copies of the certification completion documentation in Tab K.*	
Financing		
L	Public Participation Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds. *Submit a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.*	
L	Leveraging of Other Funding Sources Points will be awarded to applicants whose proposed project has received a firm commitment of Other Leveraged Funding Sources. *Submit a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for*	

	the proposed project and (b) the amount of funding.	

Scoring

If an application meets all applicable requirements, it will be evaluated and scored based on:

Scoring Category	Points Possible
Project Characteristics	50
Readiness	10
Capacity	30
Financing	10
Completeness Bonus	5
Total Possible Points	**105**

When there is a scoring criteria based on the county being served and there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number.

Project Characteristics **Category Maximum Points Possible: 50**

This scoring category describes the proposed OOR project. There are 50 total possible points for this scoring category. The points can be achieved through the following sub-categories: Constituency Served, Targeted Population, Comprehensive Community Development, and Services.

1) *Constituency Served* *Maximum Number of Points: 8*

If the development commits to servings beneficiaries in IHCDA-assisted units with maximum incomes lower than required by the CDBG program and maintains housing costs at affordable rates, points will be awarded in accordance with the following chart. Percentages are of the area median income (AMI) for the county in which the development is to be located. Awarded recipients will be held to the unit commitment in their award agreement. Changes to the AMI levels will require prior IHCDA approval.

Constituency Served	Points
20% of Population served at or below 40% AMI	8

2) *Targeted Populations* *Maximum Number of Points: 20*

Points will be awarded to applicants that target populations with special housing needs in accordance with the following charts. A project may address up to two types of populations in one OOR project and therefore may receive points from more than one chart. Details of the target populations can be found within this section. Specific definitions can be found in the Glossary.

Target Population: Aging in Place	Points
100% of Population served 55 and Older and/or Disabled	20
50% - 99% of Population served 55 and Older and/or Disabled	10
Below 50% of Population served 55 and Older and/or Disabled	0

Aging in Place (AIP) refers to making our living environment safe and adaptable so that everyone can remain independent and continue to thrive in their homes and community even as circumstances change. Therefore AIP not only refers to elderly persons but also to persons with physical and mental disabilities.

In order to receive points for AIP OOR projects must satisfy the following criteria:

- Households will qualify for the AIP target population if there is at least one elderly person living in the home or if there is at least one physically or mentally disabled person living in the home.
- The modifications made to the home with IHCDA OOR funding must be for accessibility, livability, and vistability.
    - Submit a narrative explaining the specific proposed OOR improvements for the AIP project and how these improvements will enhance accessibility, livability and visitability. Attach in Tab I.

Target Population: Families with Children	Points
100% of Population served is Families with Children	15
50% - 99% of Population served is Families with Children	10
Below 50% of Population served is Families with Children	0

3) *Comprehensive Community Development* *Maximum Number of Points: 10*

Points will be awarded to applicants whose projects contribute to the revitalization of existing areas. Points will be awarded based on the chart below.

Comprehensive Community Development	Points
An explanation of how this project is part of a larger revitalization effort.	1
Evidence that this project is part of a comprehensive revitalization or development plan.	5
The OOR project is located in a targeted area.	1
Adoption of the plan by a Local Unit of Government.	2
A letter from the highest elected local official certifying that the OOR project will assist in the revitalization of the specific neighborhood or area.	1

OOR projects with a Comprehensive Community Development focus are a part of a broader, more comprehensive approach to area improvement. These projects have the capability of contributing to fundamental change to the character of a targeted area. Further explanation of the points categories are explained:

In order to receive points under the Comprehensive Community Development scoring sub-category, the applicant must submit the following in Tab I:

- An explanation of how this project is part of a larger revitalization effort should be explained in the Narrative and Need section of the application. You should include information regarding target size, a plan, the efforts already completed or underway, local support for this and other projects in the revitalization efforts, funding commitments, what is the intended impact and how impact will be measured, etc.

- Evidence that this project is part of a comprehensive revitalization or development plan. Ideally this will be a comprehensive or revitalization plan for the town/city where the project is located. The plan must be no older than five years and should include: (a) a target area, (b) detailed policy goals, which must include the rehabilitation of owner-occupied homes, (c) implementation measures along with specific, current, and ongoing time frames for the achievement of such policies and housing activities, (d) an evaluation of current area conditions.
    - Submit the following as supporting documentation for the plan::
        - Copy of the entire plan;
        - A short narrative about the efforts that lead to the creation of the plan and how the need for owner-occupied rehabilitation was identified as an area need to be included in the plan;
        - A bulleted list that includes page numbers of where to find:
            - References to the need for affordable owner-occupied rehabilitation in the project target area
            - An evaluation of current area conditions
            - Public participation

  The following will not be considered for points as eligible plans for this category: short-term work plans, consolidated plans, municipal zoning plans, or land use plans, plans that are older than five years old and plans that do not reflect the current target area conditions.
- Target Area - Submit a scaled map that includes the project area boundaries and the specific OOR sites with a map key labeling the site addresses. Clearly label the boundaries and indicate the size of the target area. Attach in Tab I.
- Evidence of Adoption - Submit a copy of the resolution by the Local Unit of government adopting the plan. Attach in Tab I.
- Local Support – Submit a letter from the highest elected local official certifying that the OOR project will assist in the revitalization of the specific neighborhood or area. Attach in Tab I.

4) *Services* *Maximum Number of Points:* *12*
Points will be awarded to applicants whose projects contribute to the overall quality of life for the beneficiaries of the proposed OOR project. Points will be awarded based on the chart below.

Level of Services	Points Possible
Level 1 Services: Up to three services at one point each.	3
Level 2 Services: Up to three services at two points each.	6
Level 3 Services: Up to three services at four points each.	12

In order to receive points for this scoring category, the applicant must submit in Tab I:

- **One** Form A: One Homeowner Investment Plan Matrix listing all services for the entire proposed OOR program (found at the end of this Application Package);
- Form B: Homeowner Investment Plan Matrix for **each** service provider with original signatures (found at the end of this Application Package);
- A brief narrative explaining how these services will enhance the targeted population for the proposed OOR project.

Readiness **Category Maximum Points Possible: 10**

This category describes the applicant's ability to begin and timely execute an awarded project.

1) *Client Intake* *Maximum Number of Points: 12*

   Points will be awarded to applicants that have already begun the client intake process, according to the chart below. If the applicant, sub-recipient, or administrator has already begun client intake, submit a copy of the client intake list in Tab J.

% of Assisted Units	Points
25 - 50% of the units	6
51 - 75% of the units	8
76 - 100% of the units	10

Capacity **Category Maximum Points Possible: 30**

This category evaluates the applicant's ability to successfully carry out the proposed OOR project based on trainings, certifications and/or experience in housing or community development.

1) *Training* *Maximum Number of Points: 5*

   Points will be awarded for a member of the development team, applicant, sub-recipient or administrator staff who has completed a housing or community development related training. Two points will be awarded for the first training and one point per additional training, up to five points possible.

   Application/policy webinars, trainings and feedback sessions do not count for points in this category.

   Attach copies of the training completion certificate in Tab K.

Training	Points
Housing or community development related training	2 for the first training, 1 point for each additional training up to 5 points

2) *Certification* *Maximum Number of Points: 10*

   Points will be awarded for a member of the applicant, sub-recipient or administrator staff who has completed the any of the following certifications. Five points awarded for the Certified Aging-in-Place Specialist certification. Two and a half points will be awarded for all other certifications, up to ten points. Attach copies of the certification completion in Tab K.

Certification	Points
Certification from one of the certifications listed below	5 points for the Certified Aging-in-Place Specialist certification, 2.5 points for all other certifications, up to 10 points

Certification	Sponsoring Organization

Project Development Training	Indiana Association for Community and Economic Development (IACED)
Housing Development Finance Professional	National Development Council (NDC)
Community and Neighborhood Revitalization Certificate	NeighborWorks America
Bank of America Neighborhood Builder® Leadership Program	The Center for Leadership Innovation
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
CDBG Grant Administration Certification	Office of Community and Rural Affairs, State of Indiana

3) *Experience* *Maximum Number of Points:* 5

Points will be awarded for a member of the applicant, sub-recipient or administrator staff with successful experience in administering an IHCDA OOR award in the past five years. In order to qualify for points, the awards must be closed out. Please list the award numbers in the application forms.

Experience	Points
Applicant, sub-recipient or administrator staff member with experience administering at least two IHCDA awards in the past five years. **OR** Applicant, sub-recipient or administrator staff has five or more years of experience in the housing development industry.	2 for the first staff member, 1 point for each additional staff member, up to 5 points

4) *Previous IHCDA Award Performance* *Maximum Number of Points:* *10*

Points will be awarded to an applicant where the applicant, sub-recipient, AND administrator have not had any monitoring findings and who have expended award funds in a timely manner for all IHCDA awards in the past three years. Timely expenditure of funds includes lack of award extensions.

Description of Previous Award Performance	Points
Most recent IHCDA OOR award had no findings and no concerns. Award must have closed within the last three (3) years.	10
Most recent IHCDA OOR award had no findings, but concerns were noted. Award must have closed within the last three (3) years.	8
Most recent IHCDA OOR award had only one finding. Award must have closed within the last three (3) years;	6

OR No OOR experience, but previous IHCDA award (different activity) had no findings and no concerns. Award must have closed within the last three (3) years.	
No OOR experience; previous IHCDA award (different activity) had no findings, but concerns were noted. Award must have closed within the last three (3) years.	4
No OOR experience; previous IHCDA award (different activity) had only one finding. Award must have closed within the last three (3) years.	2
Does not meet any category above. Examples: • More than one finding on previous award • No award closed within last three (3) years • No previous experience with IHCDA.	0

Financing **Category Maximum Points Possible: 10**

1) *Public Participation* *Maximum Number of Points:* 5

Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds. A "firm commitment" means that the funding does not require any further approvals. "Public funds" include federal, state, or local government funds. This can include funds awarded from other federal or state agencies, the Federal Home Loan Bank**,** or waivers resulting in quantifiable cost savings that are not required by federal or state law.

Points will be awarded based on the Amount of Public Participation Funding/Total Project Costs:

% of Total Development Cost	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

In order to qualify for points in this category the applicant must submit in Tab L a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

2) *Leveraging of Other Sources* *Maximum Number of Points: 5*

Points will be awarded to applicants whose proposed project has received a firm commitment to leverage other funding sources. A "firm commitment" means that the funding does not require any further approvals. "Other funding sources" include (but are not limited to) private funding, funds from a local community foundation, donations, etc.

Points will be awarded based on the amount of Other Funding Sources Leveraged/Total Project Costs:

% of Sources	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

In order to qualify for points in this category the applicant must submit in Tab L a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

Bonus **Category Maximum Points Possible: 5**

The applicant will receive 5 bonus points for answering all questions and turning in all required threshold and scoring documentation. Threshold documentation includes all scoring support documentation.

Glossary of Terms

Below are definitions for commonly used terminology found throughout the IHCDA CDBG OOR application policy and forms and applicable to the IHCDA CDBG OOR program.

Administrator: A procured entity that will assist carrying out the CDBG OOR program.

Area Agency on Aging: Area Agencies on Aging (AAAs) deliver services to older adults and people with disabilities of any age and their caregivers. They provide Information about resources and service providers, assess needs for service, make referrals to case managers, link to services, monitor consumer satisfaction and adjust services to meet changing needs. Learn more on their association website at www.iaaa.org

Aging in Place: Making a living environment safe and adaptable so that everyone can remain independent and continue to thrive in their homes and community even as circumstances change.

Beneficiary: The household or unit that received homeowner repair work as a result of the CDBG OOR grant.

CAPS: Certified Aging in Place Specialist (CAPS) is a certification offered by the National Association of Home Builders (NAHB). As defined by the NAHB: The CAPS designation program teaches the technical, business management, and customer service skills essential to competing in the fastest growing segment of the residential remodeling industry: home modifications for the aging-in-place. More information is available on NAHB’s website at www.nahb.org.

CDBG: The Community Development Block Grant (CDBG) program is a federally funded program that provides states and communities with resources to address a wide range of unique community development needs. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. The Indiana Housing and Community Development Authority (IHCDA) is a State Administered CDBG program. The IHCDA allocates awards in the form of grants to Local Units of Government that carry out CDBG OOR projects.

Children: Children are defined as those persons ages 18 years of age or younger. The child must reside in the home that will benefit from the OOR program.

Comprehensive Community Development: 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.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older and modifications to the home are needed so this person may age in place in the home benefitting from the OOR program with the family.

Energize Indiana: Energizing Indiana is a united effort by the Indiana Office of Utility Consumer Counselor (OUCC), participating utilities, and consumer organizations to offer comprehensive energy efficiency programs that bring savings to communities across the state. With programs for homes, schools, businesses and commercial facilities, Energizing Indiana provides the education and tools you need to improve efficiency and conserve energy. Learn more about this effort on their website at www.energizingindiana.com

Entitlement Community: The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Inspection: A scheduled visit made by an Inspector to the households units that received IHCDA CDBG OOR grant dollars. All IHCDA-assisted households/units that have received CDBG and CDBG-D must be inspected twice during the award period. The first inspection will occur at the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections.

Median Income: A determination made through statistical methods establishing a middle point for determining Income Limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a document describing a bilateral or multilateral agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the project.

OOR: Owner-Occupied Rehabilitation

Project: The CDBG OOR activity proposed in the application.

List of appendices to the IHCDA 2013 CDBG OOR Application:

Form A: Homeowner Investment Plan Matrix

Form B: Homeowner Investment Plan Service Agreement

Form C: Owner-Occupied Repair Rehabilitation Priority List

Form A: Homeowner Investment Plan Matrix

Service Provider/Agent/Organization			
CDBG Applicant Name:			
Subrecipient and/or Administrator Name:			
Service Provider Name:			
Street Address:			
City:		County:	
Place a "X" next to the targeted population			
Households with persons with physical and/or development disabilities		Households persons with mental impairments	
Households with children		Households with elderly	
Other:			

LEVEL 1 SERVICES = 1 Point per Service (up to 3 services for points = total 3 points possible)				
Homeowner Investment Plan Services & Description				
Service		**Brief Description of Service**	**Location of Service**	**Points**
☐	Food Pantry Referral			
☐	Clothing Pantry Referral			
☐	2-1-1/ Information & Referral			
☐	Smoking Cessation			
☐	Coupons to Local Public/ Private Facilities			

LEVEL 2 SERVICES = 2 Points per Service (up to 3 services for points = total 6 points possible)				
Homeowner Investment Plan Services & Description				
Service		**Brief Description of Service**	**Location of Service**	**Points**
☐	Computer Training Classes			
☐	Nutrition Classes/ Food Preparation Classes			
☐	Exercise Classes			
☐	Resume Building			
☐	GED/ Adult Education			
☐	Tax Preparation Assistance			
☐	Blood Pressure Screening			
☐	Other:			
☐	Other:			
☐	Other:			

LEVEL 3 SERVICES = 3 Points per Service (up to 4 services for points = 12 points possible)				
Homeowner Investment Plan Services & Description				
Service		**Brief Description of Service**	**Location of Service**	**Points**
☐	Homeowner Repair Instruction			
☐	Financial Literacy Instruction			
☐	Legal Planning Assistance			
☐	Emergency Response System			
☐	Medication Delivery			
☐	Home Healthcare			
☐	Employment Services/ Vocational Rehab			
☐	Meals on Wheels			
☐	Assisted Living			
☐	Adult Daycare/ Eldercare			
☐	Substance Abuse Treatment			
☐	Family Caregiver Support Program			
☐	HUD Certified Counseling (Please specify):			
☐	Other:			
☐	Other:			
☐	Other:			
☐	Other:			

Form B: Homeowner Investment Plan Service Agreement

HOMEOWNER INVESTMENT PLAN SERVICE AGREEMENT

This agreement between (Applicant and Administrator (if applicable))_____, _____, and (Service Provider/Agent/Organization)_____, is to confirm the activities and/or incentives offered to beneficiaries of (CDBG OOR project name)_____. The Applicant/Administrator agrees that in partnering with the Service Provider/Agent/Organization, programs should be offered that are tailored to meet the needs of the beneficiary homeowners in an effort to encourage homeowners to invest in themselves, their home, and the overall well-being of the neighborhood and/or community.

It is agreed by all signing parties that the Homeowner Investment Plan **adds no extra cost to the homeowner or the overall CDBG OOR project budget.** It is understood that some classes/activities offered might require a maintenance fee and it is up to the sole discretion of the beneficiary homeowner to engage in that activity, service and/or incentive. That fee must be minimal. The Homeowner Investment Plan Services may target beneficiary homeowners of the CDBG OOR project but **must be optional and the repairs made to the beneficiary home/unit must not be contingent upon participating in the activities, services and/or incentives offered.**

The Applicant and/or Administrator also agree to fill out the Form A: Homeowner Investment Plan Matrix, and attach the form to this agreement, listing the services that will be offered to the beneficiary homeowners, a brief description of the service, where the service is being offered and the level of the service.

This agreement and the services offered and listed on the Form A: Homeowner Investment Plan Matrix shall remain in effect for the life of the IHCDA CDBG OOR award. The Applicant/Administrator will be responsible for maintaining all services for the life of the IHCDA CDBG OOR (even if the Applicant/Administrator is required to find a different provider who will provide the same or comparable services to benefit the residents). In the event that a different provider is needed, the Applicant/Administrator will request approval for the change via a modification request to IHCDA.

*Applicant Authorized Signatory*____
*Printed Name*_____ *Date*_____

*Administrator Agent*____
*Printed Name*_____ *Date* _____

*Service Provider/Agent/Organization*_____________________________________
*Printed Name*_____ *Date*_____

Form C: Owner Occupied Repair Rehabilitation Priority List

Determining the scope of work for Owner Occupied Repair:

The primary purpose of any rehabilitation using IHCDA resources is to improve quality of life for the resident and enable them to stay in their home. Following is a priority list of eligible repairs. Items should be addressed in this order and/or deemed "not applicable" before moving onto the next item. Eligible activities are not limited to this list but if not already noted actions must be assessed for where they fall in with priorities.
Items should be addressed in order of *Health and Safety* first, *Structural stabilization* second, then matters related to *Aging in Place* (where items do not fall under health and safety) and finally *Energy Efficiency* improvements.

IHCDA will **NOT** approve replacement of decorative items/finishes (e.g. Siding, cabinets, moldings, floor or wall coverings) that are being addressed for cosmetic reasons. If an item is damaged and is unusable, or poses a hazard (such as lead paint) they may be repaired or possibly replaced. However, applicants may be required to show documentation demonstrating conditions and need.

Furthermore, windows and doors will **NOT** be replaced solely for increasing energy efficiency. Improvements can be made to existing doors and windows to increase efficiency such as storm doors, storm windows and air sealing. If the existing doors or windows are damaged beyond repair and pose a security risk or have deteriorated to the extent that encapsulation is not an effective means of controlling lead based paint hazards, then the item may be replaced. Once again though, the applicant may be required to show documentation demonstrating condition and need.

The attached priority list should be used when evaluating a home for repair and is required to be submitted with the Environmental Review site specific documentation. The list will be reviewed again during the final inspection.

REHABILITATION PRIORITY LIST

Priority #1: Health and Safety

a.____ Moisture intrusion (including mold assessment and remediation as needed)
b.____ Installation of combination audible/visual smoke alarms in accordance with the State Building Code
c.____ Non-functioning furnace
d.____ Combustion appliance health/safety issues and code violations
e.____ Electrical system hazards and building code violations
f.____ Plumbing deficiencies and building code violations, including sewer/septic
g.____ Urgent AIP modifications :

- Access to entry door (clear path, ramp, etc.)
- emergency alert systems
- update any systems needed for necessary medical equipment

Priority #2: Structural

h.____ Roof issues- defective roof covering, decking, structural issues, flashing, gutters
i.____ Structural component and foundation issues
j.____ (various structural issues, interchangeable priority level)

- Pest infestation
- Interior walls and ceilings- can be repaired as part of lead hazard control measures or structural issue
- Porches/sidewalks
- Windows- repaired/replaced as part of lead hazard control measures or structural/security issue
- Doors- repaired/replaced as part of lead hazard control measures or structural/security issue

Priority #3: Aging in Place Improvements

k.____ Accessibility improvements not already addressed in health and safety
*If Aging in Place program, items listed in the beneficiary's assessment must be addressed

Priority #4: Energy

l.____ HVAC deficiencies identified by an energy audit
m.____ Insulation and air sealing measures identified by an energy audit

Miscellaneous items - after all other priorities have been addressed and if there is funding remaining additional items may be done for increased comfort

- Window and door replacement (not addressed under structural criteria)
- Floor coverings (not addressed under criteria for another priority)
- Replacement of kitchen appliances
- Siding (not addressed under lead hazard criteria)

IHCDA CDBG 2013 OOR Changes from Round 1 to Round 2

January 3, 2014

The following minor changes have been made from the IHCDA CDBG OOR Round 1 application forms and policy to the Round 2 application forms and policy. For the entire application policy, please refer to the IHCDA CDBG 2013 OOR Application Packet.

Eligible Applicants:

- Made formatting changes to the Eligible Applicants chart for clarification purposes.

Application Review:

- Clarified the manner in which the IHCDA Production Team reviews the applications. We review the application for completeness, published threshold criteria and published scoring criteria. After reviewing the applications for both threshold and score, the Analyst will send a letter allowing for the applicant to clarify any threshold and/or scoring issues. This is what occurred in the 2013 CDBG OOR Round 1 but the policy was not entirely clear about whether we clarified scoring issues.

OOR Program Requirements:

- Added reference to "limited English proficient persons" or "LEP" requirements.

Threshold:

- Removed threshold criteria from scoring. The IHCDA Real Estate Production team will review threshold and scoring criteria at the same time and will address clarifications for both on the same letter, as indicated above. Applicants will have the opportunity to respond to both threshold and scoring clarifications.
- Created readiness threshold criteria by removing the non-scored Public Hearing and Predevelopment Activities questions from the Readiness tab/score category in the application forms and added them as threshold criteria.
- Environmental Review (ER) – Part 1 of the ER is required as part of Threshold for the application. This is Exhibits A-F. If the applicant receives an award, then the applicant will work with the IHCDA Design and Construction Manager/Environmental Review Officers in order to complete the remainder of the ER. The publisher's affidavit is still required as part of threshold. Submitting site specific ER forms, site specific photographs and the OOR priority list is optional at time of application but will be required later if an award is made.
- Displacement Assessment and Plan – updated the tabs in the Application Forms and added a reference to the threshold criteria.

Scoring:

- The total possible score is now 105, previously 115 total points. Ten points were removed with the removal of the Unique Features and Partnership questions (more details below).
- An application must score at least 70 points to be considered for funding.
- Project Characteristics:
  - Increased the Constituency Served from 30% to 40% AMI. No points in this category were affected by this change.
- Readiness:
  - Removed the non-scored Public Hearing and Predevelopment Activities questions from the Readiness tab/score category in the application forms and added them as threshold criteria. No points in this category were affected by this change.
- Capacity:
  - Trainings – removed time limit for the trainings (was in the past 24 months, now can have had the training at any time in the past)
  - Experience – changed from past three years to past five years.
  - Previous IHCDA Award Experience – updated the chart in the application forms to include a space for the applicant to indicate their number of points and the IHCDA award number
- Unique Features and Partnerships:
  - Deleted this entire scoring section, resulting in a decrease of a total of 10 points for the application
    - Deleted MOU for Energizing Indiana. (- 2.5 points)
    - Deleted MOU for AAA. (- 2.5 points)
    - Deleted unique features. (- 5 points)
  - There is still an opportunity for the applicant to describe any unique features to the proposed OOR program in the narrative section of the application, however this is no longer a scored category.

Appendices:

- Removed MOU template forms for AAA and Energize Indiana.
- Updated the OOR Priority List.

Recapture and Resale Requirements, HOME Program

Resale Guidelines

Resale restrictions shall be implemented for every property constructed, redeveloped, or rehabilitated, in whole or in part, with HOME Funds in the form of a development subsidy. A development subsidy consists of the difference between the cost of producing the unit and the fair market value of the property. If HOME Funds are provided to the homebuyer as a grant, the property will be subject to a resale restriction.

If the homebuyer determines that it no longer intends to use the property as its principal residence, resale restrictions require the homebuyer to sell the property to a low-income family that will use the property as its principal residence.

The original homebuyer is entitled to a fair return on its investment (as described below) upon the sale of the property. The fair return will be based on the percentage change in the Consumer Price Index for All Urban Consumers Owners' Equivalent Rent of Primary Residence category in Table I of the CPI Detailed Report (the "CPI Index") during the period of the homebuyer's ownership. Accordingly, the CPI Index during the month the residence was completed (in IDIS) will be compared to the CPI Index during the month the original homebuyer sells the residence to determine the percentage of the return. The homebuyer's investment will include the original homebuyer's investment (i.e., any down payment), plus and any capital improvements. A capital improvement is any property enhancement that increases the overall value of the property, adapts it to new uses, or extends its life such as: adding windows, insulation, a new drive way, a new furnace, a garage, bedroom, new roof, remodeling kitchen, etc. Any capital improvement will be valued based on actual cost as documented by the original homebuyer's receipts. Generally, replacing worn or dated components such as appliances or carpet would not be considered an improvement that adds value or adapts it to new uses.

At the same time, the property must also be sold at a price that is affordable to low income families between fifty percent (50%) and eighty percent (80%) of the median area income for the geographic area published annually by HUD. The purchasing family should pay no more than twenty-nine percent (29%) of its gross family income towards the principal, interest, taxes and insurance for the property on a monthly basis.

In certain circumstances, such as a declining housing market where home values are depreciating, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price and a loss on investment may constitute a fair return.

Recapture Guidelines

Recapture provisions shall be implemented for any property purchased, in whole or in part, by a homebuyer that receives a direct subsidy ("homebuyer subsidy") in an amount greater than or equal to One Thousand and 00/100 Dollars ($1,000) in HOME Funds. A homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

If a homebuyer subsidy is provided to the homebuyer as a loan, the HOME Funds will be subject to a recapture provision.

If the homebuyer no longer utilizes the property as its principal residence during the Affordability Period defined below, the amount to be recaptured is the shared net proceeds of a prorated amount of the homebuyer subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the Affordability Period. Any net proceeds that exist will be shared between IHCDA and the homebuyer. If there are not any proceeds, there is no amount to recapture.

If there is both development subsidy and homebuyer subsidy or just homebuyer subsidy, a recapture provision must be implemented. In cases where a homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

Recapture provisions will also be used for HOME-assisted units purchased by homebuyers through IHCDA's First Home/Plus Program. The amount to be recaptured shall be based on the net proceeds received from the sale of the property. If there are not any proceeds, there is no amount to recapture.

With the decline of real estate prices, it may be impossible for IHCDA to provide a fair return to the original homebuyer and sell at a price affordable to a reasonable range of low-income buyers. IHCDA may provide additional HOME investment to the subsequent buyer as needed.

Affordability Period

The Affordability Period for all HOME-assisted homebuyer units is determined by the amount of assistance that goes into the property, e.g. rehabilitation, demolition, new construction, acquisition, program delivery, developer's fee and the type of restriction placed on the property.

HOME Affordability Periods

Amount of HOME subsidy per unit:	Affordability Period
■ Under $15,000/unit	5 years
■ $15,000 - $40,000	10 years
■ Over $40,000 per unit – or any rehabilitation/refinance combination activity	15 years
■ New Construction or acquisition of newly constructed transitional, permanent supportive or rental housing	20 years

Source:

Indiana Housing and Community Development Authority

Under resale guidelines the Affordability Period is based upon the total amount of HOME funds invested into the unit.

Under recapture guidelines the Affordability Period is based upon the total amount of the homebuyer subsidy that the homebuyer received in HOME funds.

Rental Units. With respect to HOME-assisted rental units either resale restrictions, recapture provisions, or a combination of both can be used in order to preserve affordability.

The Affordability Period for all HOME rental units is determined by calculating the total amount of HOME funds invested into the property, e.g. rehabilitation, demolition, new construction, acquisition, program delivery, developer's fee.

Refinancing Guidelines

When loaning funds to rehabilitate multifamily developments, IHCDA will consider refinancing existing debt if it is necessary to permit or continue affordability under Sec. 92.252 and meets the priorities set forth in the State's Consolidated Plan.

To receive full consideration by IHCDA, the following conditions must be met:

- Rehabilitation must be the primary activity. Therefore, rehabilitation costs must exceed the amount used to refinance existing debt.
- Except for permanent supportive housing developments, properties located within another Participating Jurisdiction must demonstrate equal and comparable financing from the local unit of government.
- The development must satisfy a minimum 15-year affordability period.
- Disinvestment in the property has not occurred.
- The long term needs of the development can be met.
- It is feasible to serve the targeted population over the affordability period.
- Refinancing loans made or insured by any other Federal program, including, but not limited to, FHA, CDBG, or Rural Development is prohibited.

ESG Program Requirements

Method of Distribution—ESG

Proposed Activities and Funding Priorities

This section summarized the proposed activities and funding priorities for the 2014 program year.

The funding allocation for 2014 will support the five year goals established in the 2010-2014 Consolidated Plan, including:

- Reduce homelessness and increase stability for special needs populations.
- Expand and preserve affordable housing opportunities throughout the housing continuum.

The rationale for assigning the funding priorities was largely based upon HUD's national focus and priority on rapid re-housing and homeless prevention activities.

Written Standards for Provision of ESG Assistance

This section includes written standards for providing the proposed assistance and describes the requirements for sub-recipients to establish and implement written standards.

1) **Describe the standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.**

   The Housing and Program Steering committee of the Indiana Planning Council on the Homeless is working with the state ESG program to develop and coordinate regional centralized intake and triage centers to ensure access to assistance is driven by the needs of persons experiencing homelessness. IHCDA is the collaborative applicant within the CoC and IHCDA responded to the 2012 NOFA for a Central Intake Grant to continue and improve the CoC intake and triage system. This system will provide guidance to ESG sub-recipients for locating proper housing based upon the client's need – whether it is through the outreach team to find a shelter, or rental assistance for permanent housing or for a person who would qualify for a permanent supportive housing. Once a person/household is identified as homeless or is at risk of being homeless, their housing case manager will complete an online intake and assessment using the web-based Indiana Housing Opportunities Planner and Evaluator (I-HOPE) triage tool to assist in identifying all housing options most applicable to the household. Selection for the program will be based on income, employment history, housing history, homeless status and ability to sustain their housing upon completion of the program.

2) **Describe the policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.**

   ESG subrecipients will be required to create MOU's with all shelter providers, housing agencies, community action agencies, township trustees, mental health centers, health clinics and homeless service providers in their proposed service area. In addition, ESG subrecipients must use a centralized triage intake point for all persons experiencing a housing crisis in their service area. The I-HOPE tool will assist in providing a comprehensive list of housing options appropriate for the household based on their responses to questions within the tool. HUD Veterans Affairs Supportive Housing (HUD-VASH), VA Homeless

Providers Grant and Per Diem Program, Shelter Plus Care program, Supportive Housing Program and local shelters and transitional housing providers are all included as housing resources in the I-HOPE tool results.

Additionally, as part of the proposal process, applicants are required to develop a program design that is inclusive not only of other targeted homeless services, but also of other mainstream resources such as public housing programs, programs receiving project-based or tenant-based Section 8, Supportive Housing for persons with disabilities (Section 811), HOME Investment Partnerships Program, Temporary Assistance for Needy Families (TANF), State Children's Health Insurance Program, Head Start, Mental Health and Substance Abuse Block Grants and services funded under the Workforce Investment Act. IHCDA encourages programs to be strategic and comprehensive in their program design by requiring applicants to include all available resources to the maximum extent practicable.

3) Describe the policies and procedures for determining and prioritizing which eligible families and individuals for homelessness prevention assistance and for rapid re-housing assistance.

For persons who are utilizing Rapid Rehousing Funds must: meet the criteria under paragraph (1) of the "homeless" definition in 24 CFR § Part 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other palace described in paragraph (1) of the "homeless "definition are eligible to receive rapid re-housing assistance. Within this definition, a determination on suitable participants will be based on factors such as income, employment history, housing history, homeless status and ability to sustain their housing upon completion of the program.

Those persons who will be utilizing homeless prevention funds must: meet the criterion under the interim rule clarifies the definition of ''at risk of homelessness'' under section 401(1) of the McKinney-Vento Act. The definition includes three categories under which an individual or family may qualify as ''at risk of homelessness.'' For an individual or family to qualify as ''at risk of homelessness'' under the first category of the definition, the individual or family must meet two threshold criteria and must exhibit one or more specified risk factors. The two threshold criteria, as provided in the statute, are:

1. The individual or family has income below 30 percent of median income for the geographic area; and (2) the individual or family has insufficient resources immediately available to attain housing stability. Under the interim rule, the first criterion refers specifically to annual income and to median family income for the area, as determined by HUD.

2. Second criterion is interpreted as, ''the individual or family does not have sufficient resources or support networks, e.g., family, friends, faith based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the homeless definition [in § 576.2

For homeless prevention, the risk categories to further ensure consistency of interpretation, the interim rule also clarifies several of the risk factors that pertain to the first category of individuals and families who qualify as ''at risk of homelessness.'' As provided under the statute, the pertinent risk factors are as follows:

1. Has moved frequently because of economic reasons;
2. Is living in the home of another because of economic hardship;
3. Has been notified that their right to occupy their current housing or living situation will be terminated;
4. Lives in a hotel or motel;
5. Lives in severely overcrowded housing;
6. Is exiting an institution; or
7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

4) Describe the standards for determining the share, if any, of rent and utilities costs that each program participant must pay, if any, while receiving homeless prevention or rapid re-housing assistance.

Participants who receive rental assistance through rapid rehousing or homeless prevention are expected to pay 30 percent of their income for rent and utilities. IHCDA provides an Excel based worksheet which automatically calculates the tenant rent and utility portion allowable household income is entered. Sub-recipients will be responsible for ensuring that assisted rental units meet rent reasonable standards, are below fair market rent and meet habitability standards before any rental payments are approved. The tenant's portion and ESG subsidy will be calculated upon acceptance into the program and determination of need for rental assistance.

The tenant's portion of rent is calculated on the basis of allowable household income. Tenant rents are paid directly to the landlord and are subject to the same timeliness requirements as the overall rent. Any late fees incurred while receiving ESG will be the tenant's responsibility to pay.

5) Describe the standards for determining the duration of rental assistance and whether and how the amount of assistance will be adjusted over time.

Participants can receive up to 12 months of rental assistance per award year, and up to a maximum of 24 months of rental assistance in a three year period. The award term will be 18 months. All funds associated with that award year must be expended upon completion of the award term. All rapid re-housing participants must be re-evaluated for eligibility at least once every year. Program participants receiving rental assistance must pay 30 percent of their household income each month towards rent and utilities throughout the duration of their participation with ESG. Tenant payments will not be adjusted as income is increased. Payment of rental arrears consisting of a one-time payment for up to six months of rental arrears, including any late fees on those arrears is also an eligible expense. All persons assisted with program will qualify for up to 12 months of rental assistance and up to 18 months of services. Case managers will use the Arizona Self Sufficiency Matrix tool, which is built into the HMIS, to ensure participants receive the appropriate level of assistance.

6) **Describe the standards for determining the type, amount, and duration of housing stabilization or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive. Limits should include the maximum amount of assistance, maximum number of months the program participant is eligible to receive assistance; and the maximum number of times the program participants may apply for assistance.**

Participants can receive up to 18 months of housing relocation and stabilization services during the award term. Participants cannot receive more than 24 months of these services within a three year period. Housing relocation and stabilization services includes financial assistance activities such as moving costs, rental application fees, security deposits, last month's rent, utility deposits and utility payments; and services such as housing search and placement, housing stability case management, mediation, legal services, credit repair. No limit will be placed on the amount or type of services provided per participant as sub-recipients are encouraged to spend the funds as needed by the tenant through active engagement with the participant. The amount and type of services will be determined largely at the time of intake when the housing case manager completes a housing assessment on the participant. The assessment largely consists of using the Arizona Self-Sufficiency matrix tool, which uses a vulnerability index to determine the most urgent needs as it relates to housing. This tool is also built into the HMIS.

Training in "housing first" case management will be provided to housing case managers on determining appropriate assistance levels and participant engagement. Participants can be assisted with housing stability case management for up to 30 days during the period the program participant is seeking permanent housing and cannot exceed 18 months total during the period the program participant is living in permanent housing.

Process for Making Sub-Awards

IHCDA plans to allocate funding to approximately 8-10 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration

There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one-two agencies that may apply for an outreach component. No more than the maximum allowed of 60% of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current sub-recipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. . Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. . Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each sub-recipient will be awarded based upon the average of their proposal score and the amount of funding that will be available. The amount of each award could be between $50,000 - $350,000 each.

Homeless Participation Requirements.

Any ESG recipient that cannot meet the participation requirement under CFR § 576.405(a) must include a plan that meets the requirements under CFR § 576.405(b). This section describes how the participation requirement has been met.

The State ESG recipient – IHCDA - has a previous homeless person that is member of the Steering Committee that provides guidance to our CoC Programs and their policies and procedures. He currently lives in a permanent supportive housing program. The State of Indiana recognizes the invaluable perspective of homeless and formerly homeless individuals in developing an effective client-centered program and system. The State program strongly encourages sub-recipients of the ESG program to incorporate this participation, to the maximum extent practicable, in a policy-making function of both the organization and the respective regional Planning Council on the Homeless. The State ESG program application requires applicants to explain how homeless participation is achieved at both an organizational level and within their regional Planning Councils on the Homeless. This issue is also reviewed at each program monitoring visit.

Performance Standards . This section describes the performance standards, which were in consultation with the Continuum(s) of Care, for evaluating success of ESG activities.

The performance standards were developed in conjunction with the governing body for the Balance of State CoC, the Steering Committee and approved by the Indiana Planning Council on the Homeless by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act.

Baseline performance measurements will be reports generated by the HMIS system and mainly from the Annual Progress Reports and the ESG reports for the prior year. Two of the standards are specific to the subrecipient's program performance and the remaining two are specific to system outcomes.

ESG rental assistance program sub-recipients: At discharge from program, 82 percent persons assisted will still be permanently housing. 65 percent of persons will increase their income.

ESG program sub-recipients that are Emergency shelters that have activities: operations, essential services and financial assistance: 50 percent persons will discharge to permanent housing, 25 percent of person's will increase their income.

ESG program sub-recipients that are Transitional Housing programs that have activities: operations, essential services and financial assistance: 69 percent will discharge to permanent housing, 50 percent will increase their income.

ESG program sub-recipients that have outreach component: 50 percent of identified caseload will be permanently housed.

ESG program sub-recipients that have outreach component: 50 percent identified caseload will increase their income.

The final two standards establish system-wide standards for the ESG program. The first sets a standard on the length of time that an individual or family remains homeless in the ESG service area.

1. The average length of stay of participants in ESG funded and other CoC programs should reduce by at least 10 percent by 2014 fiscal year.
2. The second system standard involves the extent to which individuals and families who leave homelessness experience additional episodes of homelessness. HUD has not released a recidivism methodology so until we receive a method, the Steering Committee along with the Data and Evaluation Committee will establish a methodology in the 2013 year. Since we started utilizing a new open HMIS system in March 2012, it has been an easier system to generate reports, utilize case management more thoroughly and produce special reports. Once a methodology is established, the Balance of State CoC will establish a baseline to track recidivism within ESG and all other CoC programs .The Continuum will focus on goals that will reduce returns to homelessness.

Both of these standards were set based upon HUD's stated performance targets for a high performing CoC. The CoC will use the HMIS system to measure these outcomes.

HOPWA Method of Distribution

Method of Distribution—HOPWA

Priority for funding has been given to Care Coordination sites to continue to foster the link between care plans and housing plans to meet the underserved needs of our clients who are in care coordination but not receiving HOPWA assistance or who are receiving limited housing assistance.

Funds will be made available in the following percentages of the total awards made to project sponsors:

- At least 60 percent to direct housing assistance: long-term rental assistance, short term rental assistance, and facility based operations;
- No more than 7 percent to sponsor administration and 3 percent to grantee administration;
- No more than 35 percent to housing information and permanent housing placement activities;
- No more than 35 percent to supportive services that positively affect recipients' housing stability

IHCDA uses the following indicators to determine their ability to achieve the desired outcomes:

- Rental Assistance—households/units
- Short-term rent, mortgage and utility assistance—households/units
- Facility based housing operations support—units
- Housing information services—households
- Permanent housing placement services—households
- Supportive services - households

Each of the households assisted with direct housing assistance will be required to have a housing plan completed by their case manager to identify areas of special need. IHCDA encourages the case manager completing the housing plan to work directly with the client and their care coordinator to identify how to improve their access to care. IHCDA expects the case manager to work with the client to achieve housing stability for those who are homeless and achieve housing stability and reduce risks of homelessness for those who are would be homeless but for this assistance.

Project sponsor selection process. IHCDA worked with the Indiana State Department of Health to develop the criteria for selecting project sponsors for the HOPWA program. IHCDA is a member of the Comprehensive HIV Services Planning and Advisory Council which consists of both advocates and consumers of the HIV/AIDS resources available to the State. HOPWA project sponsors will be monitored based on the guidelines set forth in the Housing Opportunities for Persons with AIDS (HOPWA) Grantee Oversight Resource Guide. Twenty percent of the project sponsors will be monitored per year.

IHCDA will encourage the project sponsors to continue housing plans for each of their clients to increase homeless prevention activities. IHCDA will also encourage the project sponsors to make use of any items made available by the State to assist with placing clients into housing with subsidies other than HOPWA. or program year 2014 funding, IHCDA will facilitate a competitive request for qualifications (RFQ) for HIV/AIDS service providers. The RFQ will be competitive in order to allocate funding based on six criteria:

1. How long the agency has served the population as an Indiana State Department of Health care coordination site.
2. What housing services the organization provides.
3. Experience providing HOPWA assistance.
4. How HOWPA will meet the unmet housing need in an area.
5. Involvement with local Regional Planning Council/ Committees/Leadership roles within RPC.
6. How the agency has been involved with the Indiana Triage Project.

To ensure the broadest possible dissemination, IHCDA will distribute the HOPWA RFQ in April via the statewide Continua of Care network and post online. Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region (for example, homeless men in Lake County), IHCDA will work with the regional sponsor to tailor services to meet the needs of the population. In instances where the sponsor cannot meet these needs, the sponsor will have the ability to sub-grant a portion of its HOPWA award to another service provider.

The project sponsors will be chosen in May, therefore information regarding the 2014 project sponsors is unavailable at this time. HOPWA allocations for the 2014 program year will reflect a combination of regional epidemiological need and past performance with previous HOPWA awards.

Figure V-4.
HOPWA Service Area Counties by Care of Coordination Region

Indiana HIV Care Coordination Region	Counties Served
Region 1	Lake, Porter, LaPorte
Region 2	St. Joseph, Elkhart, Starke, Marshall, Pulaski, Fulton
Region 3	LaGrange, Steuben, Kosciusko, Noble, DeKalb, Whitley, Allen, Wabash, Huntington, Wells, Adams
Region 4	Newton, Jasper, Benton, White, Warren, Tippecanoe, Carroll, Fountain, Montgomery, Clinton
Region 5	Grant, Blackford, Jay, Delaware, Randolph
Region 6	Cass, Miami, Howard, Tipton, Hamilton, Madison, Hancock
Region 7*	Boone, Hendricks, Marion, Morgan, Johnson, Shelby
Region 8	Vermillion, Parke, Putnam, Vigo, Clay, Sullivan
Region 9	Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, Ripley, Dearborn, Ohio
Region 10	Owen, Greene, Monroe, Brown, Bartholomew, Lawrence
Region 11	Jackson, Jennings, Orange, Washington, Scott, Jefferson, Switzerland, Crawford, Harrison, Floyd, Clark
Region 12	Knox, Daviess, Martin, Gibson, Pike, Dubois, Posey, Vanderburgh, Warrick, Spencer, Perry

Note: * = Not supported by IHCDA HOPWA funding.

Source: Indiana Housing and Community Development Authority.

Section 108 Loan Program

Community Enhancement and Economic Development Activities

State of Indiana Community Enhancement and Economic Development Loan Program

Section 108 Guaranteed Loan Program

Indiana Office of Community and Rural Affairs

Indiana Housing and Community Development Authority

Indiana Community Enhancement and Economic Development (CEED) Loan Fund Basics

The Indiana Office of Community Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) seek to establish a loan pool with federally guaranteed loan proceeds offered through the U.S. Department of Housing and Urban Development (HUD). Indiana receives an annual federal entitlement under the Community Development Block Grant (CDBG) Program. In accordance with the federal regulations found in 24 CFR 570, Subpart M, a state may develop procedures and requirements to assist non-federal entitlement public entities to apply for loans from the HUD Section 108 Loan Guarantee Program. The state proposes to assist public entities by providing access to a State managed loan pool, which shall be funded with Section 108 loan proceeds in an amount not to exceed $140,000,000.

Utilizing a non-competitive method of distribution, the State will make third party loans to units of local government for three purposes:

1. Economic Development
2. Housing Development
3. Community Development

A complete description of the standard method of distribution is available for public review in the Annual Action Plan posted at www.in.gov/ocra. This application shall serve as a first amendment for program year 2012 to the Annual Action Plan, and shall modify the Action Plan only to expand on the method of distribution for the purpose of describing the State's method for deploying and repaying the Section 108-guaranteed loan.

Only units of local government that do not receive direct allocations of Community Development Block Grant from the U.S. Department of Housing and Urban Development may apply to the State of Indiana's Indiana Housing and Economic Loan Fund, or CEED Fund, and applications for loans from the CEED fund may be only for the project types listed below. The total maximum amount of CEED financing that an eligible public entity may receive is limited to $7,000,000. A minimum loan request of $1,000,000 is required.

Loans made from the CEED fund shall be repaid from project revenue or other revenue pledged specifically for repayment of the loan, such as tax increment financing revenue. For all loans, the State will require additional security to be pledged for loan repayment. Specific security requirements depend on the loan type, as outlined below. The maximum term of CEED loans shall not exceed twenty (20) years.

All applicants to the CEED Fund must supply:

1. A complete application package
2. Business or project plan
3. Statement of detailed sources and uses
4. Statement of projected cash flow for the life of the loan
5. Current and two most recent audited consolidated financial statements for key principals (end borrowers), as well as interim financials (for corporations and partnerships) and/or personal financial statements (for individuals).

6. Supporting documentation, as appropriate, including but not limited to: market, feasibility, or demand studies; environmental studies; geotechnical reports; current real estate appraisals; proof of site control; land surveys.

CEED Loan Products

Terms Applicable to All Loan Products

- **Cost Reasonableness:** All proposed uses for the loan proceeds must be reasonable in cost, as determined by Lender in its sole discretion. Borrowers must support cost estimates as appropriate by, for example, fair-market/third-party price quotations, contractor/engineer estimates, appraisals, or executed contracts.

- **Proportional Disbursement:** To the extent practicable, the Section 108 loan funds should be disbursed on a pro rata basis with other funding sources to avoid placing the Section 108 Loan funds at a greater risk than other funding sources. a) Lender will review construction or operating business cash flow statements and Sources and Uses statements to confirm that Section 108 loan funds will be expended at the same ratio as other funding sources. b) Lender will also review other funding sources' policies on the expenditure of funds. If these policies require the public funds to be disbursed first, lender reserves the right to negotiate with other lenders, equity providers and subsidy providers to attempt to modify these policies. If Section 108 funds must still be expended first, lender reserves the right to require safeguards such as performance or completion bonds.

- **Key Principals Capacity:** To confirm this, lender will evaluate information provided by borrower in a form acceptable to lender, including but not limited to: a) Roles and responsibilities of each team member; b) Experience with similar types of developments; and c) Qualifications and background of each team member.

- **Financing Commitments:** Lender will review the Sources in the Sources and Uses statement (or cash flow statement, in the case of operating capital loans) to determine in its sole discretion if sufficient sources of funds have been identified and are committed to the project, including but not limited to debt, subsidy, sponsor equity, and outside equity. The terms and conditions of all other sources of funding, including but not limited to terms, covenants, lien position, and recourse must be disclosed. Borrower must provide evidence satisfactory to lender that all other funding sources are committed under terms acceptable to lender in its sole discretion, and that the participating financing parties have the financial capacity to provide the funds in a timely manner.

- **Loan Security:** The primary source of repayment for the Section 108 loan will be repayments of the second-level loans to third parties. The second source of repayment for the Section 108 loan will be security on the second-level loans. The third source of repayment shall be program income on the State's Disaster Recovery Community Development Block Grant. The fourth source of repayment shall be the State's annual allocation of Community Development Block Grant, as pledged in this application in accordance with Section 108 program regulations.

  All third party loans made by the State will be secured by:

1. A lien of no lower than second position on real property. Liens taken in second position will only be accepted when the State loan and superior debt together do not exceed 80 percent of the asset value as determined by a qualified appraisal; or
2. A lien of no lower than first position on new equipment. Liens on new equipment will only be accepted when the State loan does not exceed 80 percent of the asset value as determined by the purchase price; or
3. A lien of no lower than first position on used equipment. Liens on used equipment will only be accepted when the State loan does not exceed 65 percent of the asset value as determined by the purchase price; or
4. A lien of no lower than first position on personal property, inventory, or accounts receivable. Liens on personal property, inventory, or accounts receivable will only be accepted when the State loan does not exceed 65 percent of the asset value as determined by a qualified business valuation consultant; or
5. A pledge of increments in local tax receipts. Pledges of increments of local tax receipts will only be accepted for revenue streams with three or more years of demonstrated positive cash flow. The asset value shall be based on a seven percent (7%) discount rate, and the State loan shall not exceed 90 percent of the uncommitted value of the revenue stream; or
6. A pledge of other sources of public revenue, such as gaming revenue. Pledges of other public revenue will only be accepted for revenue streams with three or more years of demonstrated positive cash flow. The asset value shall be based on a seven percent (7%) discount rate, and the State loan shall not exceed 90 percent of the uncommitted value of the revenue stream; or
7. Other negotiated security, as deemed prudent and appropriate under the circumstances. Examples of such additional security that the State may require include but are not limited to: a. Liens on real and personal property; b. Debt Service Reserves; or c. Increments in local tax receipts generated by activities carried out with Section 108 loan funds.

Further, the State may at its discretion require borrowers to provide additional security including but not limited to: (a) personal guarantees, (b) debt service reserves, or (c)_other security mechanisms appropriate to the project.

Economic Development Loans

Local governments may apply for financing to be provided as a loan to a local business for expansion of its operations. Funds may be used for purposes including but not limited to: predevelopment, site acquisition, site preparation/land development, construction, purchase of machinery and equipment, or working capital. A project of this type would normally leverage other sources of funding and capital invested by the end borrower. Economic development projects must create new job opportunities to be filled by a minimum of 51% low-and-moderate income persons. The loan should be repaid by the business from net cash flow.

Site Acquisition Loans Evaluation Criteria: In addition to the criteria listed above, site acquisition loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.

- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Loan terms for Site Acquisition Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Site Acquisition Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions.
- **Eligible Activity:** Acquisition 570.703(a); Payment of Interest 570.703(c)
- **National Objective:** Low-to-Moderate Income Benefit- Jobs

Site Preparation Loans: In addition to the criteria listed above, site preparation loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i)

Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.

- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Loan terms for Site Preparation Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Site Preparation Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions.
- **Eligible Activity:** Payment of Interest on obligations guaranteed under this subpart 570.703(c); Relocation payments 570.703(d)(1) & 570.703(d)(2) ; Clearance/Demolition 570.703(e); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Site Preparation 570.703(f)(1) & 570.703(f)(2);
- **National Objective:** Low-to-Moderate Income Benefit- Jobs

Construction or Construction/Permanent Loans: In addition to the criteria listed above, construction or construction/permanent loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of

asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.

- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The loan term will be based on the asset being financed. Loan terms for Construction Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Construction Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. If the loan includes a permanent financing component, Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.
- **Eligible Activity:** Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal 570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);
- **National Objective:** Low-to-Moderate Income Benefit- Jobs

Equipment Loans: In addition to the criteria listed above, equipment loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to a business expansion plan evidencing need for the equipment, cost estimates, and evidence acceptable to lender that the proposed equipment purchase is the optimal choice. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit a business operating cashflow statement clearly setting forth the sources with which the Borrower plans to repay financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will

evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. Lender reserves the right to require: a) pre-approval of the cost, condition, and quality of the equipment to be financed; and b) a debt service reserve capitalized with loan proceeds.

- **Eligible Activity:** Payment of Interest 570.703(c); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);
- **National Objective:** Low-to-Moderate Income Benefit- Jobs; Elimination of Slum and Blight

Working Capital Loans: In addition to the criteria listed above, working capital loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the development. The Section 108 loan application must be supported with additional documentation including but not limited to business cash flow statements, a business plan, and information on the borrower's product cycle. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. For non-revenue producing projects such as community facilities, Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay loan funds. Lender may also review engineering and other types of feasibility studies to properly evaluate the project
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Operating Capital Loans are anticipated to be repaid primarily from business income, including revenue from sales or services provided. Each loan application will include a written explanation of the anticipated source of repayment and the reason for requesting the loan terms and conditions. Lender reserves the right to require a debt service reserve capitalized with loan proceeds.
- **Eligible Activity:** Payment of Interest 570.703(c); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);

- **National Objective:** Low-to-Moderate Income Benefit- Jobs; Elimination of Slum and Blight

Housing Development Loans

Local governments may apply for financing to support a nonprofit housing developer's efforts to produce new construction or rehabilitated housing for sale or rent. Housing projects must achieve a CDBG national objective.

Site Acquisition Loans: In addition to the criteria listed above, housing site acquisition loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, housing demand studies, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. For non-revenue producing projects such as community facilities, Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay loan funds. Lender may also review engineering and other types of feasibility studies to properly evaluate the project
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Loan terms for Construction Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Site Acquisition Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-

by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions.

- **Eligible Activity:** Acquisition 570.703(a); Payment of Interest 570.703(c)
- **National Objective:** Low-to-Moderate Income Benefit- Housing; Elimination of Slum and Blight

Construction or Construction/Permanent Loans: In addition to the criteria listed above, housing site acquisition loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, housing demand studies, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. For non-revenue producing projects such as community facilities, Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay loan funds. Lender may also review engineering and other types of feasibility studies to properly evaluate the project
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. Loan terms for Construction Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Construction Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. If the loan includes a permanent financing component, Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.

- **Eligible Activity:** Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);
- **National Objective:** Low-to-Moderate Income Benefit- Housing; Elimination of Slum and Blight

Housing Rehabilitation Loans In addition to the criteria listed above, housing rehabilitation loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, housing demand studies, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. For non-revenue producing projects such as community facilities, Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay loan funds. Lender may also review engineering and other types of feasibility studies to properly evaluate the project
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Loan terms for Housing Rehabilitation Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Housing Rehabilitation Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and

conditions. If the loan includes a permanent financing component, Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.

- **Eligible Activity:** Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal 570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);
- **National Objective:** Low-to-Moderate Income Benefit- Housing; Elimination of Slum and Blight

Community Development Loans

Local governments may apply for financing to undertake large-scale public facilities and infrastructure projects. These projects may be beyond the annual budget limitations of communities. Community development projects must achieve a CDBG national objective.

Site Preparation Loans: In addition to the criteria listed above, community development site preparation loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The loan term will be based on the asset being financed. The term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule

(resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions.

- **Eligible Activity:** Acquisition 570.703(a); Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal 570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2);
- **National Objective:** Low-to-Moderate Income Benefit- Area Benefit; Low-to-Moderate Income Benefit- Limited Clientele; Elimination of Slum and Blight – Spot, Area

Streetscape Loans In addition to the criteria listed above, streetscape loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to feasibility studies or infrastructure/capital needs assessments. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The loan term will be based on the asset being financed. The term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.

- **Eligible Activity:** Acquisition 570.703(a); Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal 570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2); Debt Service Reserve 570.703(k)
- **National Objective:** Low-to-Moderate Income Benefit- Area Benefit; Low-to-Moderate Income Benefit- Limited Clientele; Elimination of Slum and Blight – Spot, Area

Public Facility Loans: In addition to the criteria listed above, public facility loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market/demand studies, real estate appraisals, or feasibility studies evidencing a clear need for the proposed facility. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The loan term will be based on the asset being financed. The term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.
- **Eligible Activity:** Acquisition 570.703(a); Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal

570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2); Debt Service Reserve 570.703(k)

- **National Objective:** Low-to-Moderate Income Benefit- Area Benefit; Low-to-Moderate Income Benefit- Limited Clientele; Elimination of Slum and Blight – Spot, Area

Additional Information

Underwriting Experience

Although we will retain qualified consultant support when necessary and appropriate, the State of Indiana has established a strong record of accomplishment in underwriting, closing, and securing repayment of a broad range of loans, equity investments and equity equivalent investments. For example, Indiana Housing & Community Development Authority underwriting and management staff have over 50 years of collective experience underwriting residential construction and permanent loans, home mortgages, and interim as well as permanent loans for the development of commercial and residential as well as community facilities. IHCDA staff are experienced in structuring leveraged financing that provides the critical first and last dollars, while closing financing gaps that facilitate investment by other lenders. Through subordinate (but still prudent) lien and payment position, our loans have Debt-Service Coverage Ratio as low as 1.1 and Loan To Value ratios of up to 100%; of course, we will follow more conservative HUD guidelines in both of these regards for Section 108 financing. In spite of these risks, our delinquency and default rate consistently outperforms comparable market debt.

IHCDA manages a range of investments to support the development of affordable housing, all of which carry the same requirements for underwriting, due diligence, servicing, reporting to investors and asset management as a Section 108-Guaranteed Loan:

- **Single Family Homeownership:** Though we are not a direct originator, IHCDA provides access to low-interest flexible financing for home purchase, downpayment assistance, and homeownership counseling. In 2011, our participating lenders closed $118.7 million in 1,274 loans and allocated 627 Mortgage Credit Certificates (generating almost $14.6 million in Credits on over $67 million in loans). Through June 30 2012, our participating lenders closed 636 loans totaling $61.1 million and allocated 344 Mortgage Credit Certificates leveraging $36.8 million in financing.

- **Rental Housing Tax Credits:** IHCDA is responsible for allocation of Indiana's allotment of Rental Housing Tax Credits. In 2011, IHCDA awarded a total of $14.35 million in annual credits for projects generating 2,424 units, with total development cost of $241.6 million.

- **Tax Credit Exchange Program (TCEP)/Tax Credit Assistance Program (TCAP):** IHCDA manages $235 million in TCEP proceeds and $38 million in TCAP funds to assist projects that were awarded credits in prior years but have been unable to find equity, have been subject to cost increases as a result of the tightening credit market, or both. Through the end of 2010, IHCDA has allocated and closed on funding of the entire amount, to support production of nearly 6,400 units in 92 projects with total development cost in excess of $570 million. These funds are structured as loans, with many of the features set forth in our proposal for Section 108 debt, including below-market fees and interest rates, subordination to financial institution debt, less strict collateral and credit underwriting standards, and longer than standard amortization relative to market debt.

- **Neighborhood Stabilization Program:** IHCDA is the administrator of $83.76 million in Neighborhood Stabilization Program funds allocated through HERA, as well as $8.2 million in NSP funds allocated through Dodd-Frank. We are working with partners throughout the state to effectively leverage those funds with other IHCDA-controlled resources and private funding to both mitigate the effects of foreclosure statewide and engage in comprehensive community development in select areas.

- **USDA Rural Development Section 515 loan program:** IHCDA leverages its resources through strategic partnerships with a range of funders. For example, IHCDA has worked with the US Department of Agriculture to secure an allocation of $2.125 million in USDA 515 funds for renovation, upgrades and ownership transfers on existing Rural Development properties built in the 1960s and 1970s. With a dollar for dollar match for 515 funds from the Indiana Housing and Community Development Fund (the State's housing trust fund, supported by an annual allocation of a portion of the state tax on non-cigarette tobacco), IHCDA is substantially leveraging USDA's investment while diffusing the risk for both entities.

With regard to non-residential real estate, IHCDA is among the partners working to support a community development financial institution serving disadvantaged businesses and communities throughout Indiana. The CDFI, The Community Investment Fund of Indiana, Inc., or CIFI, has to date made $540,000 in direct loans to serve eligible Low Income Targeted Populations. IHCDA staff are providing primary underwriting and deal structuring support. CIFI's board members and partners come from a broad range of Indiana communities, and the organization will be a critical partner in identifying and facilitating future Section 108 investments; moreover, CIFI will offer predevelopment financing and seed capital for projects and businesses serving disadvantaged communities to help them advance to a state of readiness for Section 108 investments and leveraged debt.

In addition, IHCDA staff have approximately 30 years of collective experience underwriting construction and permanent financing for non-residential loans and investments, including new construction and rehab projects for mixed use retail/residential, traditional retail and office properties, historic community landmarks, community facilities such as health clinics, recreational facilities and assisted living/nursing care facilities, land development efforts, and industrial parks.

Planned Lending Capacity and Repayment

State of Indiana anticipates making $140,000,000 in loans over the next five years. The State will repay loan funds that it advances over a twenty year term with a twenty year amortization. The primary source for repayment will be project revenue from third party loans to units of local government. The second source of repayment will be security on those loans. The third source of repayment will be the State's annual allocation as pledged in this application. Federal statute requires that the State of Indiana pledge its CDBG allocation as a source of repayment.

Pursuant to 570.703(g), the State will utilize Section 108 funds where appropriate to cover the cost of Payment of issuance, underwriting, servicing, trust administration and other costs associated with private sector financing of debt service obligations.

Application Process

A. Project Proposal

Eligible public entities must submit a project proposal as a requirement for the Indiana Section 108 Loan Program. The proposal will be submitted using the Section 108 Loan

Proposal Form.

B. Site Visit

A site visit to discuss the potential project and the need for Section 108 loan funds will be required. Eligible public entities are encouraged to request a site visit with OCRA/IHCDA staff as early in the process as possible. Attendees must include the eligible public entity, the for-profit business, non-profit developer, for-profit developer, and any other parties to the Section 108 Loan.

C. Threshold Review

OCRA/IHCDA staff will review each application submitted for compliance with the state and federal threshold requirements for a Section 108 loan, including proper design to meet eligibility and national objective requirements and demonstration of non-replacement of federal funding.

D. Final Application

Once the public entity has held the public hearing and published the proposed application the public entity must consider any comments received and if it deems appropriate, modify the proposed application. The final application must be made available to the public.

E. Final Review and Approval

The State of Indiana will review the final application submitted for a Section 108 loan. OCRA (in consultation with IHCDA) may disapprove or reduce the amount of the loan when it determines that the loan constitutes an unacceptable financial risk. OCRA reserves the right to not approve an application based on any other combination of factors and will notify the public entity in writing that the loan application has been approved, reduced, or disapproved. If the request is reduced or disapproved, the public entity will be informed of the specific reasons for reduction or disapproval.

If the request is approved, OCRA will request from HUD a final determination regarding the eligibility and national objective of the proposed activity. OCRA will allocate funds from its Section 108 loan fund for all approved projects.

Information for Local Government Borrowers

All additional information related to this application for Section 108 guaranteed loan funds, including local government application guidelines, is available at www.in.gov/ocra.

For more information, please visit www.in.gov/ocra or contact the Indiana Office of Community and Rural Affairs at (800) 824-2476.

Pursuant to 24 CFR §570.704(b)(9), the SECTION 108 LOAN GUARANTEE State Certifications Related to Nonentitlement Public Entities

State of ______________________, with regard to the Section 108 Loan guarantee application submitted by the ____________________ (Nonentitlement Public Entity), certifies that:

i. It agrees to make the pledge of grants required under 24 CFR §570.705(b)(2).
ii. It possesses the legal authority to make such pledge.
iii. At least 70 percent of the aggregate use of the CDBG grant funds received by the State, guaranteed loan funds, and Unconditional pledge of Program Income during the one, two, or three consecutive years specified by the State for its CDBG program will be for activities that benefit low and moderate income persons.
iv. It agrees to assume the responsibilities described in 24 CFR §570.710.

____
Signature

____
Name

____
Title

____
Date (mm/dd/yyyy)

Program Specific Requirements

CDBG, HOME, ESG, HOPWA

Program Specific Requirements

AP-90 Program Specific Requirements

Introduction

The CDBG Program Income section is not applicable.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220.(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	**0**

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit – A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220.(l)(2)

1. **A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

   N/A.

2. **A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

   Please see the attachment that specifies HOME resale and recapture guidelines in the Grantee Unique Appendices.

3. **A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

   Please see the attachment that specifies HOME resale and recapture guidelines in the Grantee Unique Appendices.

4. **Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

   When loaning funds to rehabilitate multifamily developments, IHCDA will consider refinancing existing debt if it is necessary to permit or continue affordability under Sec. 92.252 and meets the priorities set forth in the State's Consolidated Plan.

   To receive full consideration by IHCDA, the following conditions must be met:

   - Rehabilitation must be the primary activity. Therefore, rehabilitation costs must exceed the amount used to refinance existing debt.
   - Except for permanent supportive housing developments, properties located within another Participating Jurisdiction must demonstrate equal and comparable financing from the local unit of government.
   - The development must satisfy a minimum 15-year affordability period.
   - Disinvestment in the property has not occurred.
   - The long term needs of the development can be met.
   - It is feasible to serve the targeted population over the affordability period.
   - Refinancing loans made or insured by any other Federal program, including, but not limited to, FHA, CDBG, or Rural Development is prohibited.

Emergency Solutions Grant (ESG)

5. **Include written standards for providing ESG assistance (may include as attachment)**

   Please see the Grantee Unique Appendices, ESG Program Requirements, for written standards for providing ESG assistance.

6. **If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.**

7. The CoC Board created a Coordinated Access Task Force to author recommendations for a new coordinated assessment system. The recommendations were accepted and implementation will begin in 2014. This will include one common assessment to decrease the time it takes to complete multiple assessments at intake, prioritization of families for Rapid Rehousing and those with the greatest barriers for Permanent Supportive Housing. By improving targeting of those who require support to end their homelessness and offering a light touch to those who only require this, our CoC will increase the speed of connecting individuals and families to appropriate permanent housing. As part of Coordinated Access, a shelter-diversion training including mediation skills will be taught to centralized access teams and decentralized leaders who will then train others in their region. This will improve homelessness prevention efforts as people are able to have support in building or maintaining social support networks as opposed to entering the shelter.

8. **Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).**

   IHCDA plans to allocate funding to approximately 8-10 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program.

   There will be approximately 60 agencies that will apply for the operations, essentials, financial assistance and approximately 1 agency applying for an outreach component. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the state, to the current sub-recipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. . Each proposal will be reviewed by at least one IHCDA Community Services staff person and by the Funding and Strategies committee or another Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, their commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each sub-recipient will be awarded based upon the average score of their proposal and the funding available. . This amount could be between $50,000 - $350,000 each.

9. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

Any ESG recipient that cannot meet the participation requirement under CFR § 576.405(a) must include a plan that meets the requirements under CFR § 576.405(b).

The State ESG recipient – IHCDA – has a previous homeless person that is member of the CoC Board that provides guidance to our CoC Programs and their policies and procedures. He currently lives in a permanent supportive housing program. The State of Indiana recognizes the invaluable perspective of homeless and formerly homeless individuals in developing an effective client-centered program and system. The State program strongly encourages sub-recipients of the ESG program to incorporate this participation, to the maximum extent practicable, in a policy-making function of both the organization and the respective Regional Planning Council on the Homeless. The State ESG program application requires applicants to explain how homeless participation is achieved at both an organizational level and within their regional Planning Councils on the Homeless. This issue is also reviewed at each program monitoring visit.

10. Describe performance standards for evaluating ESG.

Baseline performance measurements will be reports generated by the HMIS system and mainly from the Annual Progress Reports and the ESG reports for the 2013 year. Two of the standards are specific to the sub-recipient's program performance and the remaining two are specific to system outcomes.

For 2014, ESG rental assistance program sub-recipients: At discharge from program, 82 percent persons assisted will still be permanently housing. 65 percent of persons will increase their income.

For 2014 ESG program sub-recipients that are Emergency shelters that have activities: operations, essential services and financial assistance: 50 percent persons will discharge to permanent housing, 45 percent of person's will increase their income.

For 2014 ESG program sub-recipients that are Transitional Housing programs that have activities: operations, essential services and financial assistance: 69 percent will discharge to permanent housing, 55 percent will increase their income.

For 204 ESG program sub-recipients that have outreach component: 50 percent of identified caseload will be permanently housed.

For 2014 ESG program sub-recipients that have outreach component: 50 percent identified caseload will increase their income.

The final two standards establish system-wide standards for the ESG program. The first sets a standard on the length of time that an individual or family remains homeless in the ESG service area.

1. The average length of stay of participants in ESG funded and other CoC programs should reduce by at least 10 percent by 2014 fiscal year.

2. The second system standard involves the extent to which individuals and families who leave homelessness experience additional episodes of homelessness. HUD has not released a recidivism methodology so until we receive a method, the Steering Committee along with the Data and Evaluation Committee will establish a methodology in the 2014 year. The HMIS recipient, IHCDA, is receiving technical assistance from Abt Associates on how to establish a definition and methodology of an episode for chronic homelessness and defining recidivism. Once a methodology is established, the Balance of State CoC will be able to establish a baseline to track recidivism within ESG and all other CoC programs. The Continuum will focus on goals that will reduce returns to homelessness.

Both of these standards were set based upon HUD's stated performance targets for a high performing CoC. The CoC will use the HMIS system to measure these outcomes.

Discussion

Please see above.