



February 7, 2025

Alan Rakowski, Director of Real Estate Allocation
Indiana Housing and Community Development Authority
30 South Meridian Street, Suite 900
Indianapolis, IN 46204

Re: 2026-2027 IHCD A QAP - First Draft

Dear Mr. Rakowski-

On behalf of the membership of the Indiana Affordable Housing Council (IAHC), we appreciate the Indiana Housing and Community Development Authority's (IHCD A) willingness to solicit feedback and take comments on the first draft of the 2026-2027 Qualified Allocation Plan (QAP).

Over 50% of IAHC membership survey respondents support the following:

- Set Asides
 - Large City Set-Aside added back as a set-aside option (93.75%)
 - General Set-Aside eliminated as a set-aside option (81.25%)
 - The addition of 501(c)(4) being eligible in the Qualified Nonprofit set-aside (68.75%)
 - Additional requirements added to what qualifies as a 501(c)(3) or 501(c)(4) organization in the Nonprofit set-aside (56.25%)
 - Rehab hard costs in the Preservation set-aside now must exceed \$50,000 per unit (75%)
 - For survey respondents that thought that \$50,000 was too high, feedback suggested between \$30,000 and \$40,000
- Threshold
 - Elimination of minimum unit sizes (68.75%)
 - Increase in rehab hard costs (for deals NOT in the Preservation set-aside) now must exceed \$35,000 per unit (83.33%)
 - Comments from a member: Increasing the minimum will strain market rate conversions, when rehab costs could be minimal. The goal is to preserve affordable housing and \$25,000 provides more flexibility for sponsors.
- Scoring
 - Elimination of the Cores Certification category (81.25%)
 - Elimination of the Onsite Daycare and Before and After School Care/Onsite Adult Daycare category (75%)



Over 50% of IAHC membership survey respondents expressed concern about the following topics and support these recommendations:

- Threshold
 - Requirement that if 15% or more of non-IHCDA sources are not yet awarded, an application will fail threshold. Recommended that this language be removed (56.25%)
 - Members further commented that other funding timelines, particularly HOME from a PJ and FHLB do not always align with IHCDA's round and to perhaps have this as a scoring category instead and possibly increase the sliding scale for leveraging capital resources.
 - Support the removal of language "without the need for additional variances" since municipalities are hesitant to certify this before plans are finalized. Recommend that "without need for additional variances" be removed from this threshold (81.25%)
 - It is proposed that 500-year floodplain sites require the same level of documentation and work as a 100-year floodplain. It is recommended that the 500-year floodplain language be removed, and this threshold item remain as-is (87.5%)
 - Operating expenses are at a minimum of \$5,000 per unit per year. Membership recommends lowering this to \$4,500 per unit per year (81.25%)
- Scoring
 - The total number of points has been reduced by over 15% and in turn the minimum number of points for Threshold for both 9% and 4% application should be reduced (73.33%)
 - Rent Restriction and Income Restriction points are NOT available for the Indiana Affordable and Workforce Housing Tax Credit (AWHTC) applications in conjunction with bonds and 4% tax credits. It is recommended that 4%/bond applications also be excluded from these points (73.33%)
 - Age restricted and Housing First applicants that are part of a rehabilitation when a building contains an elevator are being held to a higher standard/requirement than those without an elevator. Just because a building has an elevator, it does not make it any easier to make units accessible. Given this, scoring should be changed so that there is no difference between elevator and non-elevator buildings (93.75%)
 - Bonus points are being proposed for preservation applications. These applications are already receiving 6 points and have their own set-aside. These bonus points should not be available (60%)
 - The level of work involved in a historic development is significant and should be rewarded no matter the number of units. The percentage requirements from Development in Historic in Nature should be removed (66.67%)
 - Community revitalization plan for developments located in a QCT should be amended to include DDAs as well (68.75%)

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- Low-income residents often have low-cost internet options available to them that property owners do not. Given this, Internet Access scoring should be eliminated (81.25%)
 - Column C (retail) for Desirable Site scoring was removed. It is recommended that this remain in scoring (100%)
 - Points available for Leveraging Capital Resources are minimal given the positive impact these sources may have on the long-term viability of a development. Given this, it is recommended to increase the number of points available at each percentage level (68.75%)
 - Negative points for an Owner that has requested a release through Qualified Contract should be eliminated since this scoring in no way evaluates or impacts the quality of the development being reviewed (56.25%)
 - The scoring for Developments from Previous Supportive Housing Institutes and scoring for Integrated Supportive Housing for Persons Experiencing Homelessness should be combined (60%)
 - Schedule D – Noncompetitive Bond Requirements
 - Funding limitation should be \$45,000,000 instead of \$35,000,000 (75%)
 - Supportive of the addition of a Readiness to Proceed scoring to promote/encourage developments that can meet the six-month closing deadline (53.85%)
 - An open round should be maintained without any months being excluded so long as bond volume is available (100%)
 - There is no limitations on Occupancy Type like what is found for developments utilizing AWHTC, so affordable assisted living and 100% supportive housing are eligible activities.
 - Assisted living should be removed (64.29%)
 - Supportive housing – see comment below
 - Schedule D1 – Competitive Bond Requirements with AWHTC
 - Funding limitation should be \$45,000,000 instead of \$35,000,000 (72.73%)
 - All scoring related items in Schedule D1 should be moved to the scoring section of the QAP (83.33%)

Membership was split when it came to:

- The addition of the 35-year minimum Extended Use Period being added to Threshold. However, in a follow-up question 56.25% of membership did recommend this remain as a scoring option instead of being moved to Threshold.
 - Non-IHCDA Project Based Rental assistance is often from Federal sources that then trigger cross cutting regulations which may add time and cost to a development. Membership was split as to if this category should be removed from scoring.
 - Removal of supportive housing as an occupancy type for 4%/bond developments
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Members were also provided with the opportunity to share other feedback that may not have been a part of the specific survey that was provided. A few notable comments:

- Phase I requirements – not all RECs require a “No Further Action” letter. Additional language indicating “when required” should be added.
- 30-year extended use is already sufficient. An additional 5 years is not adding value as the transactions will likely need to be preserved or recapitalized during that period.
- XBE points should remain
- HUD has lowered the DSCR minimum for 221(d)4 and 223(f) programs to 1.11X. IHCD should put an exception in 5.2.I. Stabilized Debt Coverage Ratio to allow deals financed under either program to use this DSCR minimum in order to fully leverage the resources available to developers.

Thank you for your consideration of IAHC’s feedback. If you have any questions or would like to discuss further, please do not hesitate to reach out.

Sincerely,

Erika E. Scott
IAHC Board President

Cc: IAHC Membership
Mike Speedy, Secretary of Business Affairs
J. Jacob Sipe, IHCD Executive Director