



February 5, 2025

Indiana Housing & Community Development Authority
Alan Rakowski, Director of Real Estate Allocation
30 S Meridian St, Suite 900
Indianapolis, IN 46204

RE: Comments to 1st Draft of 2026-2027 QAP

Dear Mr. Rakowski,

Thank you for providing the opportunity to comment on the first draft of the 2026-2027 Indiana QAP. Keller Development, Inc. respectfully offers the following comments for your consideration:

Part 4.1 - Qualified Nonprofit Set-Aside

We appreciate the changes to this category that strengthen it against being taken advantage of. However, we believe that some of these changes are too restrictive. We suggest removing the requirement that the non-profit have at least one full-time paid employee, since this will disqualify organizations that have a separate entity for development purposes. Area IV Development, Inc. is structured this way. It is a non-profit organization whose only affiliation is with fellow non-profit Area IV Agency on Aging and Community Action Programs, Inc. Area IV Development is billed for staff time by Area IV Agency, but no staff are employed directly by Area IV Development. This organization has been operating for years and has many successful LIHTC developments while otherwise meeting every requirement of the non-profit set-aside.

Area IV Development, Inc. is also structured specifically to undertake Area IV Agency's LIHTC housing development work, so it does not complete any other housing activities since those services are provided by Area IV Agency. Requiring non-profits to participate in other housing activities would also disqualify Area IV Development.

We also encourage removing the prohibition of a non-profit's board chair or president being employed by a for-profit developer or management company. It is logical and reasonable that a non-profit engaged in development work would seek guidance from leadership with professional experience in the industry. Keeping this restriction would unfairly disqualify organizations that have sought this expertise, and it would have prevented organizations like Brightpoint from competing for tax credits. The other tests in this set-aside will demonstrate that the organization is free from the undue influence of a for-profit entity.

Part 4.5 – Supportive Housing Set-Aside

We appreciate Indiana's continued dedication to housing the most vulnerable populations and using the proven method of housing first to address the problem of homelessness in our state.

Part 5.1.H.4 – Demonstrated ability to obtain funding for the Development

We propose a wording change to the last sentence of part b to say: "However, if the combined value of all uncommitted, non-IHCDA sources exceeds 15% of the total development sources, the application will fail threshold."

Part 5.4.F – Minimum Unit Sizes

We support the removal of this category.

Park 5.1.K – Phase I Environmental Site Assessment

The anticipated date of the No Further Action letter should only be required if such a letter is needed for the mitigation activities. Many RECs may not require this.

Part 6.2.D – Vacant Structure

Correct the typo to read “An application will receive six points...”

Part 6.2.F – Infill New Construction

We are requesting that the requirement for previous use be removed. This unnecessarily excludes vacant ground that meets the intent of the infill category, including land that has failed to develop because of unique challenges related to size and shape or other physical attributes of a property, incomplete master-planned developments such as subdivisions that were never finished, and growth areas on the outskirts of a community that would otherwise not see any affordable housing to go with expensive new development.

If these changes are kept, then we request more detail on the new requirements. How will the previous use be tested, especially when a use may have occurred many years ago and the relevant structures are no longer standing? How will residential and commercial use be defined so as not to exclude things like institutional, industrial, or other special uses?

Specifying the use of existing utilities is also problematic, as new development will necessitate the removal of any remaining utilities and infrastructure from an obsolete development, especially if the improvements are very old. We recommend removing this requirement, or instead changing the language to specify that the site has reasonable access to existing infrastructure and utilities with capacity to serve the development.

Finally, we request that the prohibition on agricultural land be lifted for this category. Otherwise, the definition of agricultural land should be made consistent with the requirements of the ERR process, where the Farmland Protection Policy Act is used.

Section 6.2.K – Internet Access

Instead of requiring the development to pay for the cost of internet, it should be allowable to provide tenants with additional utility allowance that covers the cost of internet service. Low-income residents are frequently able to take advantage of lower costs than a development can. Tenants are also able to take advantage of cost savings from bundling their internet with cable, phone, or other services. Providing for the cost of internet service with a utility allowance provides the same benefit to the tenant while providing a cost savings to the development.

Section 6.4.E – Housing Need Index

Please clarify if the ratio of existing LIHTC units to 80% AMI renter households includes 4% projects or projects older than 15 years.

Section 6.5.E – CORES Certification & Onsite Daycare

We enthusiastically support the removal of these two scoring categories.

Section 6.5.J – Developments from Previous Supportive Housing Institutes

The lookback for this category should be kept at 2023 for the 2026 allocation round, since 2024 participants will not have had a chance to apply for credits yet. In the 2027 allocation round, the lookback year could then move to 2024.

Suggested Additional Scoring Category – Indiana-Based Businesses

We suggest the inclusion of a new scoring category to replace some that were removed, where a development will receive additional points if its development team members are Indiana-

based businesses or non-profits. Points could be awarded if the Developer, General Contractor, and Property Manager are all Indiana-based. It should be incentivized to keep as many resources as possible from the tax credit program in Indiana and to the benefit of Indiana-based organizations. The test for this could be a lookback window to ensure a history of operations in the state that prevents newly created or newly moved organizations from taking advantage of this category.

I appreciate your consideration of these comments. Please feel free to contact me directly should you need any additional detail.

Sincerely,

Dawn Gallaway
President