

Housing Trust Fund and HOME Investment
Partnerships Program 2017 Institute Policy
November 2017

SUMMARY

This policy describes the manner in which IHCD will allocate part of its Fiscal Year 2017 funds under the Housing Trust Fund (“HTF”) program in conjunction with a portion of the State’s HOME Investment Partnerships Program Grant. IHCD’s total allocation of FY17 HTF funds is \$3,367,317, a portion of which will be used for IHCD administration of the program.

The Housing Trust Fund is designed to create new housing opportunities for households with extremely low-incomes (at or below 30% of area median income). By regulation, the focus of the HTF program is rental housing.

IHCD will allocate all of its FY17 HTF funds for affordable rental housing, specifically for supportive housing for persons experiencing homelessness. HTF awards will be made to finance projects that have successfully completed the 2017 Permanent Supportive Housing Institute. Requests for these HTF/HOME combination awards may be made on a rolling basis. Additional information about eligible activities can be found within this policy manual. In addition to meeting the requirements of this policy, all proposed developments must also meet the requirements under the HOME program.

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Part 1: Application Process

1.1 Overview and Funding Priorities:

The purpose of this Housing Trust Fund (HTF) application is to provide subsidies in the form of grants to selected applicants for the acquisition, rehabilitation and/or new construction of supportive housing for persons with extremely low-income (at or below 30% of area median income). Through this program, the Indiana Housing and Community Development Authority (IHCD) seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate HTF funds as financing in conjunction with funding from the State's HOME Investment Partnership Program Grant for those applicants that have completed the 2017 Permanent Supportive Housing Institute, and to be used for the rehabilitation and/or new construction of supportive housing among selected applicants having projects that meet the requirements of the program and IHCD's goals for the program.

The applicant must demonstrate the following in its application:

1. The activities proposed are eligible, and provide a certification that the HTF-assisted housing units will comply with all HTF requirements;
2. The activity meets the needs of their specific community;
3. Serve populations that are extremely low-income and experiencing homelessness. The target population served by the development must be the target population that was identified based on community need and relevant data through the Supportive Housing Institute process;
4. Support geographical diversity as to the location of the HTF-funded projects;
5. It will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities by making assurances;
6. The applicant's ability and financial capacity to undertake, comply, and manage the eligible activity;
7. The applicant's familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
8. The applicant's experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:
 - (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or
 - (ii) Design, construct, or rehabilitate, and market affordable housing for homeownership.
 - (iii) That the applicant has the capacity to undertake the activities set forth in its application upon receipt of the HTF award and begin construction within 12 months of receipt of the award and complete the development within a 24 month period;
9. Proceed with the activity upon receipt of the award and begin construction within 12 months of receipt of the award;
10. Link the project to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
11. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure; and,
12. 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.

1.2 HTF Application Forms and HTF Policy Discrepancies

In the event of a conflict or inconsistency between the HTF Rental Policy and the HTF Application Form and/or Appendices, the procedures described in the HTF Application Policy will prevail.

1.3 Permanent Supportive Housing Institute in the QAP

HTF funds will be offered exclusively to developments that successfully completed the 2017 Indiana Supportive Housing Institute. To be eligible to submit an HTF supplemental application, a proposed project must meet all threshold requirements of this policy, including the specific threshold requirements applicable to supportive housing developments. For FY17 HTF funds, IHCD will not entertain stand-alone applications.

Supportive housing developments must further the creation of community-based housing that targets the extremely low income (less than 30% AMI) with intensive service programs that have a direct impact on reducing homelessness through the Housing First model. Housing First is an innovative approach to engage and rapidly house individuals who are homeless into supportive housing and to provide intensive and flexible services to stabilize and support housing tenure.

Eligible applicants must have successfully fulfilled all requirements and demonstrated meaningful and successful participation in the 2017 Indiana Supportive Housing Institute for the specific development for which they are applying. The Indiana Supportive Housing Institute provides training and support to organizations that plan to create supportive housing. Tenant outreach, selection, property management and service plans must be approved as part of the Institute process and prior to submission of an application. Participation in the Institute is based on a competitive RFP selection process.

1.4 Application Fee

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

All applicants must submit a non-refundable \$250 Application fee with each Application as a condition of having the Development considered.

1.5 Application Submission

The applicant must submit the following items to IHCD's Real Estate Production Coordinator

- Via IHCD's Syncplicity site:
 - One completed copy of the HOME application forms.
 - All supporting documents required in the tabs. Please submit this information as separate, labeled PDF documents under the required labeled tabs. Do not send one PDF containing all of the supporting documentation.
- Via hard copy:
 - One completed copy of the final application forms with original signatures.
 - Completed environmental review forms.

Faxed applications will not be accepted.





The hard copy of the final application forms, completed environmental review forms, and application fee of \$250 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 send an email confirmation to the applicant contact within one week of submission notifying the applicant that the application was received by IHCDA. Please notify the Real Estate Department Coordinator if the applicant would like to add an additional contact person for communications regarding its application.

1.6 Application Review

Each application must address only one development. Reviews of applications follows the steps as outlined in this policy

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|--------------------------------|---|
| <u>Step One</u> - Completeness | On or before the application deadline, the applicant must provide all required documents, signatures and attachments. |
| <u>Step Two</u> - Threshold | The application must meet each of the applicable threshold criteria, including underwriting guidelines found in Section 6.5 below. After initial threshold review, IHDCDA staff may contact an applicant to request clarification of threshold information contained in the pending application. The applicant will have the opportunity to respond on or before the due date provided by IHDCDA. If the applicant does not respond to the threshold clarification letter and therefore threshold item(s) are still in question, the application will be disqualified. Points will be awarded to those applications where no clarifications are required. |
| <u>Step Three</u> - Scoring | Applications that pass the completeness and threshold reviews are then scored according to IHDCDA's published scoring criteria. After initial score review, IHDCDA staff may contact the applicant for further clarification of a scoring item. Failure to respond to the requested scoring clarification items by the due date and in the manner requested may result in application denial. Supporting documentation for scoring categories will not have the opportunity to be submitted after the initial application submission. |





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 denial letters and final 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.

1.6 IHCDA CDBG & HOME Program Manual

The IHCDA *CDBG, HOME and HTF Program Manual* outlines the requirements for administering IHCDA's CDBG, HOME and HTF awards.

The Program Manual may be found at <http://www.in.gov/myihcda/2490.htm>

1.7 HOME Past Awards

Before an Applicant can apply for a new HOME award, any other HOME awards that the applicant has received from IHCDA must be drawn by a minimum of 25% of the award's total funding amount; those funded during the 2017 HOME Supplemental Round are exempt from this provision. HOME funds awarded within the last six months (from the last day signed on the contract agreement) are exempt from this requirement.

1.9 Minimum Score Requirement

An application must score at least 40 points to be considered for funding.

1.10 Development Fund

Applicants may apply for the Development Fund with this application. Applicants must provide documentation and explanation on an alternative source of finding if the Development Fund application is denied, or if Development Fund is not available.

More information on the Development Fund may be found in Part 10.





Part 2: Eligible Applicants

2.1 HTF/HOME Program Eligibility

Eligibility will be determined based on:

1. Whether the development demonstrates a need for HTF in order to make a greater number of units affordable to extremely-low and very low households;
2. Whether the development meets State and Federal requirements of all programs for which the applicant is applying, including the threshold requirements;
3. Successful completion of the Permanent Supportive Housing Institute;
4. If the development ranking is sufficient for it to be awarded RHTC pursuant to the RHTC process as outlined in the 2016/2017 QAP; and,
5. The availability of HTF/HOME funds.

2.2 Eligible Applicants

National Housing Trust Fund (HTF)	Community Housing Development Organizations (CHDO)	501(c)3 and 501(c)4 Not-For-Profit Organizations and PHAs*	Joint Venture Partnerships	For Profit Entities Organized Under the State of Indiana
Rental Housing Rehabilitation/ Adaptive Reuse	✓	✓	✓	Not Eligible
Acquisition and Rental Housing Rehabilitation	✓	✓	✓	Not Eligible
Rental Housing New Construction	✓	✓	✓	Not Eligible

*PHAs are eligible to apply under the conditions set forth in 24 CFR 93.203.

Eligible developments can be located in any city, town or county located in Indiana. There is no geographic preference to the use of the HTF.

2.3 Ineligible Applicants

IHCDA reserves the right to disqualify from funding any application that has an applicant, sub-recipient, administrator, preparer, or related party of any of the aforementioned, with a history of disregarding the policies, procedures, or staff directives associated with administering any IHCDA program or program administered by any other State, Federal, or affordable housing entity. This includes, but is 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, and the Federal Home Loan Bank.

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

2.4 Religious and Faith-Based Organizations

- *Equal treatment of program participants and program beneficiaries.* (1) *Program participants.* Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HTF program. Neither the Federal Government nor a State or local government receiving funds under the HTF program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- *Beneficiaries.* In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.
- *Separation of explicitly religious activities.* Recipients and subrecipients of HTF program funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.
- *Religious identity.* A faith-based organization that is a recipient or subrecipient of HTF program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a HTF program-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.
- *Alternative provider.* If a program participant or prospective program participant of the HTF program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonable prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for





services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.

- *Structures.* Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HTF program. Sanctuaries, chapels, or other rooms that a HTF program-funded religious congregation uses as its principal place of worship, however, are ineligible for HTF program-funded improvements. Disposition of real property after the term of the grant, or any change in the use of the property during the term of the grant, is subject to government wide regulations governing real property disposition (see 24 CFR parts 84 and 85).
- *Supplemental funds.* If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.





Part 3: Eligible Activities & HTF Program Requirements

3.1 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 supportive housing in conjunction with RHTC developments that have completed the Indiana Supportive Housing Institute and are eligible under the Housing First set-aside or the integrated supportive housing scoring category of the QAP. Acquisition only is not an eligible activity; however acquisition in conjunction with another activity is permitted.

- Rehabilitation, new construction, and acquisition/rehabilitation or acquisition/new construction of rental housing in the form of traditional apartments, single room occupancy units (SROs), or single family housing.
 - SRO housing consists of single room dwelling units that are the primary residence of the occupant(s). 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.
- If HTF funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence within 9 months of the demolition or acquisition.

3.2 Ineligible Activities

The following are ineligible activities:

- Preservation of existing affordable housing, including supportive housing. HTF must be used to create new affordable housing units;
- Refinancing of existing permanent debt;
- Development of housing for homebuyer programs;
- Performing owner-occupied rehabilitation;
- Group homes;
- Transitional housing;
- Acquisition, rehabilitation, or construction emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for persons experiencing homelessness;
- 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, refinancing, or new construction if any part of a development or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the project;
- 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, or operating expenses;
- The use of commercial facilities for transient housing;
- Payment of HTF loan servicing fees or loan origination costs;





- Tenant-based rental assistance;
- Payment of back taxes.

In addition, IHCD **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, gender identity, or against victims of domestic violence, dating violence, sexual assault, or stalking 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.

3.3 HTF and HOME Program Requirements

The proposed HTF/HOME project must follow these minimum requirements, and all other requirements laid forth in the Program Manual, to be eligible for funding. For further details on each requirement, please see IHCD's Program Manual at <http://www.in.gov/myihcda/2490.htm>.

- Recipients must comply with all regulatory requirements listed in 24 CFR Parts 91, 92 and 93.

Applicants should familiarize themselves with IHCD's *CDBG, HOME & HTF Program Manual*.

Requirements include, but are not limited to the following:

- **Lead Based Paint:**
 - Each recipient of a HTF 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.
- **Section 504:**
 - 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 implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C. 3601-3619).
- **Uniform Relocation Act:**
 - Each recipient of a HTF award is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). See IHCD's [Program Manual](#) Chapter 4 for guidance on the regulatory requirements of the 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.
- **Affirmative Marketing Procedure**
 - Rental housing with five or more HTF-assisted units must adopt IHCD's Affirmative Marketing Procedures. See the IHCD [Program Manual](#) Chapter 5 for guidance on Affirmative Marketing Procedures.
- **Section 3:**





- Any recipient receiving an aggregate amount of \$200,000 or more from one (1) or more of the HUD 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.
- **Income Verification:**
 - An income verification is valid for a period of six months. If more than six months pass between income verification and contract execution/lease execution/purchase agreement, then a new income verification must be completed.
- **Procurement Procedures:**
 - Each recipient of a HTF award 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.
 - Each recipient of a HTF award must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the HTF award.
- **Environmental Review:**
 - To help facilitate timely expenditure of HTF funds, all applicants are required to submit the Environmental Review Record (ERR) and Section 106 Review at the time of application. If awarded HTF funds, the HTF recipient must receive an IHCDA Release of Funds before the fully executed award documents are released and any funds are drawn. (IHCDA [Program Manual](#), Environmental Review Chapter 11). For more information, contact the IHCDA Placemaking Manager.
 - Applicants may not purchase any property to be assisted with HTF funds, sign contracts, or begin rehab/construction until the ERR/Release of Funds process has been completed and approved.
- **Construction Standards and Physical Inspections:**
 - All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur when 50% of the funds drawn for single site projects, or when half the units are complete for scattered site projects. The second inspection will be conducted upon completion of the construction for the award. Site visits during construction may be conducted to monitor progress of all projects. The IHCDA Inspector will conduct the physical inspections.
- **Registering Vacancies:**
 - Applicants that are proposing to develop rental housing must register vacancies for HTF-assisted housing in the IndianaHousingNow.org affordable housing database.
- **Capital Needs Assessment:**
 - Projects performing the rehabilitation activity with a total of 26 or more units (the total of HTF-assisted and non-HTF assisted units) must complete and provide a Capital Needs Assessment (CNA).
- **Federal Programs Ongoing Rental Compliance:**
 - Recipient must ensure that each owner of a HTF-assisted rental project enters tenant events into IHCDA's Indiana Housing Online Management System at <https://ihcdaonline.com/> within 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 must be submitted electronically using the Indiana Housing Online Management System throughout the affordability period in the Annual Rental Report. See IHCD's [Program Manual](#) for further guidance.

- Recipient must ensure that there is a written lease between any tenant and the owner of rental housing assisted with HTF funds. The term of the lease may not be less than one year, unless a shorter period is specified upon mutual agreement between the tenant and the owner. The lease may not contain any of the prohibited provisions set forth in 24 CFR 93.303
- Recipient shall ensure that written tenant selection policies and criteria for the project are adopted and followed that comply with 24 CFR 93.303 and the additional requirements as set forth in IHCD's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCD.
- In accordance with 93.404(d), the recipient must provide IHCD with the financial documentation and/or reports needed by IHCD to conduct its examination of the financial condition of the project, if project has ten (10) or more assisted units.
- Rental housing developments must assist households at or below 30% of the Area Median Income for the county, as published by HUD and distributed by IHCD. Units must be both income and rent restricted at the 30% AMI level. Households must meet the definition of "extremely low income families" families at 24 CFR 93.2.).
- **LEP:**
 - 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" 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 and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds for 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.
- **Nondiscrimination Requirements:**
 - Recipient must follow the non-discrimination requirements of the Fair Housing Act, the Violence Against Women Reauthorization Act of 2013, and the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule.
- **SAM and DUNS:**
 - Applicants must register for System Award Management (SAM) and have a valid DUNS in order to apply for HTF.
- **HMIS:**
 - Applicants proposing permanent supportive housing will be required to participate in the Homeless Management Information System (HMIS).





3.4 Property Standards

All HTF funded projects must meet the property standards outlined in 93.301.

- Developments must use Uniform Physical Condition Standards (UPCS). A listing of those standards can be found in the Multi-Family Checklist. Beyond the UPCS standards, projects must also comply with:
 - IHCDA Rehabilitation Standards (see Exhibit A); and,
 - The stricter of the local rehabilitation standards or the Indiana State Building Code.
- The development must meet the accessibility requirements at 24 CFR Part I, which implements Section 504 of the Rehabilitation Act of 1973.
- Covered multi-family units, as defined at 24 CFR 100.201, must meet the design and construction requirements at 24 CFR 100.205, which implements the Federal Fair Housing Act Amendments of 1988.
- Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
- Newly constructed units must meet additional energy efficiency standards for new construction pursuant to section 109 of the Cranston-Gonzalez National Affordable Housing Act.
- Where relevant, the housing must be constructed to mitigate the impacts of potential disaster, in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

3.5 Affordability Requirements

The affordability period for all HTF assisted units is 30 years; if those units are layered with HOME funding, the units must meet the HTF affordability period.

Units which use only HOME funding must use the following periods of affordability:

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

HTF subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The recipient shall comply with the following requirements of the HTF Program throughout the affordability period: (1) ensuring that the property meets the Property Standards set forth in 24 CFR 93.301; ensuring that the tenants meet the affordability requirements set forth in 24 CFR 93.205 by documenting and verifying the income of tenants as set forth in IHCDA’s Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCDA; (3) submitting annual tenant events and annual owner certifications to IHCDA through its online reporting system as set forth in IHCDA’s Federal Programs Ongoing Rental Compliance





Manual; (4) participating in periodic monitoring and inspections of the Property by IHCD and/or the U. S. Department of Housing and Urban Development (“HUD”); (5) complying with the Federal income and rent limits issued by HUD and published annually on IHCD’s website; (6) providing IHCD with information regarding unit substitution and filling vacancies, if the Project has floating units; and (7) ensuring that each tenant enters into a lease that does not contain HUD prohibited lease language as set forth in IHCD’s Federal Programs Ongoing Rental Compliance Manual. The affordability period begins after the project has been completed and the completion forms have been submitted to and approved by IHCD. During the affordability period all HTF program rental requirements apply to the property. See IHCD’s [Federal Programs Ongoing Rental Compliance Manual](#) for a full discussion of affordability period compliance.

HOME subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCD. The recipient shall comply with the following requirements of the HOME Program throughout the affordability period:

1. Ensuring that the property meets the Property Standards set forth in 24 CFR 92.251;
2. Ensuring that the tenants meet the affordability requirements set forth in 24 CFR 92.252 by documenting and verifying the income of tenants as set forth in IHCD’s Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCD;
3. Submitting annual tenant events and annual owner certifications to IHCD through its online reporting system as set forth in IHCD’s Federal Programs Ongoing Rental Compliance Manual;
4. Participating in periodic monitoring and inspections of the Property by IHCD and/or the U. S. Department of Housing and Urban Development (“HUD”);
5. Complying with the Federal income and rent limits issued by HUD and published annually on IHCD’s website;
6. Providing IHCD with information regarding unit substitution and filling vacancies, if the Project has floating units; and
7. Ensuring that each tenant enters into a lease that does not contain HUD prohibited lease language as set forth in IHCD’s Federal Programs Ongoing Rental Compliance Manual. The affordability period begins after the project has been completed and the completion forms have been submitted to and approved by IHCD. During the affordability period all HOME program rental requirements apply to the property. See IHCD’s [Federal Programs Ongoing Rental Compliance Manual](#) for a full discussion of affordability period compliance.

If HTF and HOME funding are layered, the HTF affordability requirements will apply.

3.6 Lien and Restrictive Covenant Agreement

Each recipient of a HTF award must ensure that a lien and restrictive covenant is executed and recorded against every property constructed, rehabilitated, or acquired, in whole or in part, with HTF funds. Upon the occurrence of any of the following events during the Affordability Period, the entire sum secured by the lien shall be due and payable by developer and/or owner upon demand. Repayment may be demanded upon: (1) Transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the Affordability Period; (2) Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the Affordability Period; (3) The real estate no longer meets the property standards set forth in 24 CFR 93.301.; (4) HTF-assisted units are not being used by





qualifying tenants as their principal residence; (5) annual tenant events and annual owner certifications are no longer being submitted to IHCDA through its online reporting system as set forth in IHCDA’s [Federal Programs Ongoing Rental Compliance Manual](#); (6) non-compliance with the federal income and rent limits issued by HUD; and (7) units are not leased in accordance with the requirements set forth in IHCDA’s [Federal Programs Ongoing Rental Compliance Manual](#).

The recipient of the HTF award will be responsible for repaying IHCDA any HTF funds utilized for any housing constructed, rehabilitated, or acquired that does not remain affordable and in compliance in accordance with 24 CFR 93.302 for the entire Affordability Period. Recapture is not prorated; failure to meet the entire affordability period will result in full repayment of the HTF award.

3.7 Geographic Diversity

IHCDA will make every effort to distribute HTF funds geographically. The ability to do so may be limited by the location of eligible applications and projects which receive adequate scoring to be funded.

Applicants for HTF funds must have completed the Indiana Supportive Housing Institute. Teams are selected and admitted into the Institute based on the criteria laid out in an annual Request for Proposals (RFP). During review of the RFP responses, IHCDA staff considers geographic diversity as part of its evaluation to ensure that we are creating supportive housing developments throughout the state. In addition, the applicant must demonstrate need for supportive housing as supported by local data sources, including but not limited to data from the Point In Time Count and other data sources collected by the Continuum of Care.

3.8 Award Term

The HTF and HOME awards must be fully expended within a 24 month period. The award generally expires on the last day of the month, 24 months following execution of the award agreement by the recipient and IHCDA.





Part 4: Subsidy Limitations & Eligible Activity Costs

4.1 Subsidy & Budget Limitations

The maximum request amount per application is \$1,787,500 for eligible rental projects from both HTF and HOME.

Applicants may request a maximum of \$1,200,000 of HOME funding, and a maximum of \$587,500 HTF – the amount requested must supported by the below subsidy limitations and through IHCDA’s subsidy layering analysis.

Subsidy Limitations

IHCDA will have two sets of subsidy limitations. HTF and HOME limits targeting 30% and 40% AMI will be as follows:

Bedroom Size	Per Unit Subsidy Limit
0	\$90,000
1	\$105,000
2	\$120,000
3	\$145,000
4+	\$160,000

HOME assisted units targeting 50% and 60% AMI will be as follows:

Bedroom Size	Per Unit Subsidy Limit
0	\$72,000
1	\$84,000
2	\$96,000
3	\$116,000
4+	\$128,000

They will be applied statewide and are adjusted by the number of bedrooms per unit.

The decision to use the above and apply them statewide is based on an analysis of the actual total development costs of affordable multifamily rental housing applications in Indiana from 2010-2015 and an analysis of costs to ensure the projects do not take on substantial debt. Two separate analysis were conducted. The first compared projects in large cities (population of 75,000 or greater), small cities (population of 15,000-74,999) and rural localities (population under 14,999); the second compared the four evaluation regions as set by IHCDA. While there is some difference in individual project costs, there is relatively little variation in the 2010-2015 averages through both scenarios. The per/unit subsidy for each of the geographical subsets did not greatly differ from either each other and, or from the state average. The highest total development cost per unit can be found in the small city category; the





difference between the statewide average is less than 8% higher. Large cities had the lowest cost per unit; there was only a 4% difference in cost per unit compared to the statewide average.

It is important to note that the cap is not the only mechanism. IHCD will use to allocate no more HTF funds than allowable and necessary for project quality and affordability. Each application for HTF funding will be reviewed and analyzed in accordance with IHCD's underwriting process, which includes a subsidy layering review. IHCD staff has extensive experience in this area, including through its administration of HOME. The review includes an examination of sources and uses (including any operating or project-based rental assistance) and a determination that all costs are reasonable. Through its underwriting process, IHCD will ensure that the level of HTF subsidy provided: 1) does not exceed the actual HTF eligible development cost of the unit, 2) that the costs are reasonable and in line with similar projects across the state, 3) the developer is not receiving excessive profit, and 4) HTF funding does not exceed the amount necessary for the project to be successful for the required 30 year affordability period.

As required by HUD, the HTF maximum subsidy limits will be assessed and adjusted annually. IHCD's review for the next program year will be further informed by the first years' experience working with developers and the HTF requirements as well as the issuance of HUD guidance on using HTF funding for operating assistance and reserves.

Minimum amount of HTF and HOME funds to be used for rehabilitation or new construction is \$1,001 per unit.

Budget Limitations

- HTF 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.

IHCD may approve, at their sole discretion, requests for higher per unit subsidy limits dependent upon verification of the need for increased costs.

4.2 Form of Assistance

HTF and HOME funds through this policy will be awarded to the recipient in the form of a grant. Award documents must be executed in order to access funds and will include, but are not limited to: award agreement, resolution, and a lien and restrictive covenant agreement.

The applicant may then provide the HTF/HOME awards as a forgivable, amortized, or deferred loan to as many other entities as it chooses, known as subgrantees. However, subgrantees must be identified in the application and approved by IHCD.





A title company is required to be used for all loans that occur between the IHCDA recipient and the subgrantee of the program. The IHCDA recipient must execute a promissory note, mortgage, lien and restrictive covenant agreement, 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.

4.3 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.

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.

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

DEVELOPER’S FEE – Developer’s fees for the total award (HOME and HTF) may not exceed 15%. Additionally, the total of developer’s fee, soft costs, and environmental review cannot exceed 20% of the total HTF/HOME request.

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the NEPA compliance Environmental Review, which is a requirement of the Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the soft costs line item. This line item along with developer’s fee, and soft costs cannot exceed 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 the [IHCDA CDBG & HOME Program Manual](#).

LEAD HAZARD TESTING – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are \$1000 per unit.

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
- 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
- Site work related to driveways, sidewalks, landscaping, etc.





- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- 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

RETAINAGE POLICY - IHCD will hold the final \$5,000 of an award until, closeout documentation, and completion reports are received and approved. Closeout documentation will not be approved until the final monitoring and inspection is completed and all associated findings and/or concerns are resolved.

4.4 Ineligible Activity Costs

- Annual contributions for operation of public housing
- 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 15-year proforma.
- Costs associated with any financial audit of the recipient.
- Costs associated with preparing an application for funding through IHCD
- Cost of supportive services
- General operating expenses or operating subsidies
- Loan guarantees
- Mortgage default/delinquency correction or avoidance
- Providing tenant based rental assistance
- 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 luxury items, such as swimming pools or hot tubs
- Any additional prohibited activities and fees as listed in 93.204.

4.5 Allocating Costs in Mixed-Income Developments

HTF and HOME may only pay actual costs related to HTF-assisted units and HOME assisted units. If the units in a development are comparable (in terms of size, features and number of bedrooms), then the actual costs can be determined by pro-rating total development costs. HTF funds could pay the pro-rated share of the HTF-assisted units. When units are not comparable, the applicant must allocate the HTF costs on a unit-by-unit basis, charging only actual costs to the HTF program. Because units in rental developments with-the "floating" HTF designation must be comparable, an applicant should always pro-rate costs in these developments. When units are generally comparable but vary slightly in size or amenities, a combination of the two approaches may be used.

Unit Size - Comparability in size is defined by the bedroom count and square footage of individual units. Not all units with the same number of bedrooms are comparable in size. If there is a substantial difference in the square footage of two units with the same number of bedrooms, the units are not considered comparable.





Amenities - Comparability in amenities means similar fixtures, appliances and other features. In many mixed-income developments, to receive varying rents, the quality and types of amenities may vary among units. For instance, a development might charge a higher rent for a unit with wall-to-wall carpeting, garbage disposal, dishwasher, and finer fixtures than for a unit without these amenities. This type of development does not typically have comparability of units, unless there is an equal distribution of assisted and non-assisted units that have these amenities.

Common Costs - Common costs are costs incurred for acquisition of improved or unimproved real property that benefits all residents of units in a development, rehabilitation or construction of shared systems (heating, plumbing, roofing) or shared facilities (community rooms, laundry facilities located in residential buildings); and on-site improvements. Costs associated with a development's on-site management office or the apartment of a resident manager may be counted as common costs. The manner in which the costs for common elements of a development may be charged is dictated by the method chosen for allocating costs.

4.6 Program Income

Income generated by CHDOs acting as owners, sponsors, or developers of HOME units may be retained by the CHDOs 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, 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.





Part 5: Rental Housing Requirements

5.1 Eligible Projects

HTF projects can propose rental activities with this policy and corresponding application forms.

5.2 Eligible Rental Activities

Eligible activities include new construction, rehabilitation only, or acquisition/rehabilitation. Acquisition is allowed only in conjunction with the rehabilitation activity and is ineligible as a stand-alone activity. Permanent rental housing units may not be used for temporary or emergency housing at any time. Eligible rental activities also include the rehabilitation or acquisition/rehabilitation of assisted-living facilities as long as they meet IHCD's definition. IHCD 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.

All households occupying HTF-assisted rental units must be income-qualified based at or below 30% of area median income and all units must be rent restricted at the 30% rent limit. See the *Federal Programs Ongoing Rental Compliance Manual* for more information on household qualification.

5.3 Income Restrictions

HTF-assisted rental units will income-restricted for occupancy by extremely low-income households, defined as households that are certified as having incomes at or below the 30% area median income HTF income limit, as published by HUD.

IHCD has posted the 2017 limits – these can be found through [RED Notice 17-41](#).

All households that occupy HTF-assisted rental housing units must be income certified at the time of move-in and then recertified on an annual basis. The 24 CFR Part 5 (Section 8) definition of household income applies.

5.4 Rent Restrictions

HTF-assisted rental units will be rent-restricted at the 30% rent restriction throughout the affordability period to ensure that the units are affordable to extremely low-income households. Please refer to the most recent HTF rent limits. The 2016 rent limits for Indiana (effective 7/1/16) can be found on HUD's website at

https://www.hudexchange.info/resource/reportmanagement/published/HTF_RentLimits_State_IN_2016.pdf

The following restrictions apply:

- Published rent limits include the cost of any tenant-paid utilities. For all utilities that the tenant will be responsible for you must subtract any IHCD or HUD approved utility allowance from the published rent limit. For example, if the rent limit in a given county is \$300 with a utility allowance for gas heat of \$28, \$20 for other electric, and \$13 for water, the maximum allowable rent would be \$239 for a unit where the tenant pays all the above utilities (\$300 - \$28 - \$20 - \$13 = \$239).
- 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 zero bedroom (efficiency) unit rent or 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 75% of the fair market rent (FMR) for a zero bedroom unit. For example, if the FMR for a zero bedroom unit in a given county is \$300, then the 30% rent limit in that county for a SRO unit that only has a bathroom and not a kitchen would be \$225 ($\$300 \times .75 = \225).
- Gross rent must be at or below the published rent limit. Gross rent = tenant-paid rent + tenant-based rental assistance + utility allowance + non-optional charges.
- If the applicant proposes to receive all or a portion of the rent payment via a tenant-based voucher (rental subsidy), the gross rent (including the rental assistance amount) cannot exceed the published rent limits for the applicable income level. For example, a tenant residing in a unit set-aside for households at or below 30% of the area median income has a voucher that pays \$100 of his/her rent, and the published utility allowance for tenant paid utilities for the unit is \$50. If the published 30% rent limit is \$300, the tenant paid portion of rent cannot exceed \$150 ($\$300 \text{ rent limit} - \$100 \text{ Section 8 Voucher} - \$50 \text{ utility allowance} = \$150 \text{ maximum tenant paid portion}$).
- If the development receives a federal or state project-based rent subsidy and the unit is designated as 30% or below and the household is at or below 30% AMI and the household pays no more than 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 93.302(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

5.5 Affordability Periods

All rental projects are subject to a 30-year affordability period as defined in Part 3.4 of this document.

The recipient is subject to recapture provisions through a recorded lien and restrictive covenant agreement as described in Parts 3.5 of this document.

5.6 Underwriting Guidelines for Rental Projects

The following underwriting guidelines must be followed for any rental development as per 24 CFR 93.300 (b). The numbers submitted should accurately reflect the true nature and cost of the proposed activity. IHCD will consider 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” (i.e. 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 6% and 8%. Applicants must substantiate the vacancy rate.

RENTAL INCOME GROWTH – All developments must be able to underwrite with a rental income growth between 0% and 2% per year beyond the 30 year affordability period.

OPERATING RESERVES – All developments must be able to underwrite with operating reserves, using the greater of four-to-six months of expenses (i.e. operating expenses, plus debt service) OR \$1,500 per unit.

RENT-UP RESERVE – HTF 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 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 HTF funds that can be utilized for a rent-up reserve is limited to three months development operating expenses plus three months of development debt service.

REPLACEMENT RESERVES – All developments are required to have replacement reserves. Replacement reserves must be included in the operating budget but are 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/ Adaptive Reuse*	\$350
New Construction	\$250

* For rehabilitation developments, the Capital Needs Assessment will be reviewed to determine whether sufficient reserves have been established.

OPERATING EXPENSE GROWTH – All developments must be able to underwrite with operating expense growth between 1% and 3% per year.

IHCDA requires operating expense growth to be at least 1% higher than rental income growth.

STABILIZED DEBT COVERAGE RATIO – All developments must be able to underwrite with a stabilized debt coverage ratio (DCR) within the following standards:

Development Location	Minimum Acceptable Debt Coverage Ratio
Large or Small City	1.10 – 1.40
Rural	1.10 – 1.50

- Stabilization usually occurs in year two; however, the debt coverage ratio for a development must not go below 1.10 during the affordability period to be considered financially feasible.
- IHCDA does recognize that rural deals may have higher debt coverage ratios at the beginning of the affordability period in order to remain feasible. Documentation to support these higher debt coverage ratios must be provided.
- Developments without hard debt are permissible, but will be subject to additional scrutiny from IHCDA. Developments with no debt will not have a debt coverage ratio, but will be required to have cash flow without an undue profit. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including Replacement Reserves). A ratio of 1.10 shall be the minimum required to be considered feasible by IHCDA, throughout the affordability period.
- Tax abatement may cause the DCR to be higher than these guidelines.

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).

5.7 Market Assessment Guidelines

The following market assessment guidelines must be followed for any rental development. The numbers submitted should accurately reflect the market feasibility of the proposed activity.





MARKET AREA – Describe the market area from which the majority of the development’s tenants are likely to come and provide a map with a scale. Describe how the market area was determined to be appropriate for the development.

SOCIOECONOMIC PROFILE AND TRENDS – Describe the trends in population and households by age and income and estimate the number of eligible tenants for the development.

HOUSING STOCK – Describe the existing housing stock within the market area including the number of housing units, type (single family or multifamily), percent vacant, percent owner-occupied and renter-occupied, etc. In addition, provide a list of all other rent restricted properties in the market area and indicate whether they are age restricted.

CAPTURE RATE AND ABSORPTION PERIOD – Provide an estimate of the capture rate for the development (project’s units divided by the number of eligible tenants from the market area), and estimate the absorption period to ensure lease-up within 18 months of project completion.

NEEDS ASSESSMENT – Describe how the development addresses the community’s housing needs, given the market area’s socioeconomic profile, trends, and housing stock.

DEVELOPMENT SITE DESCRIPTION – Explain how the site is adequate in size, exposure, and contour to accommodate the number and type of units proposed. In addition, describe whether there are adequate utilities (water, sewer, gas, and electricity) to accommodate the development.

5.8 Site and Neighborhood Standards

IHCDA administers the HTF program in a manner that promotes housing opportunities and provides housing that is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, E.O. 11063, and HUD regulations issued pursuant thereto. For new construction of HTF -assisted rental units, the applicant must demonstrate that the proposed development meets the site and neighborhood standards as given at 24 CFR 983.6(b) and 93.150 by completing the appropriate form in the HTF Section.

- The site must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- A project may be located in an area of minority concentration only if:
 - Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or
 - The project is necessary to meet overriding housing needs that cannot be met in that housing market area
 - “Sufficient” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this





standard should produce a reasonable distribution of assisted units each year that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low income minority families and in relation to the racial mix of the locality's population.

- Units may be considered “comparable opportunities,” if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.
- Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:
 - A significant number of assisted housing units are available outside areas of minority concentration.
 - There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
 - There are racially integrated neighborhoods in the locality.
 - Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
 - Minority families have benefited from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
 - A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.
 - Comparable housing opportunities have been made available outside areas of minority concentration through other programs.
- Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.





Part 6: Completeness & Threshold Requirements

Each proposed project must satisfy the Federal requirements of the HTF program listed in 24 CFR Part 93 and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

6.1 Completeness Requirements

- a. **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 policy as well as required documentation listed in the HOME Application Forms.
 - 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.
- b. **Responsiveness** – All questions must be answered and all supporting documentation must be provided.
 - The applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HTF 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.

6.2 HTF Criteria

In accordance with 24 CFR 91.320(5)(i), IHCDA will address and weigh the required priority funding factors in the following manner:

- a. *Priority Housing Needs of Indiana – high priority:* Through the 2015-2019 Consolidated Plan, the State of Indiana includes extremely low income households and permanent supportive housing/integrated supporting housing as “housing priority needs” (see AP-25 Allocation Priorities).

To be eligible for the supportive housing set-aside in the QAP and for HTF, the applicant must further the creation of community-based housing that targets the extremely low income (less than 30% AMI) with intensive service programs that have a direct impact on reducing homelessness through the Housing First model, to meet the state’s priority housing needs of serving extremely low-income households. Applicants who have not successfully completed the Supportive Housing Institute and/or who do not meet the set-aside criteria as identified in both the QAP and in Sections 2.1 and 6.3 (e) of this Allocation Plan will not be eligible for funding.

In addition, IHCDA may award additional scoring of 140 points under Sections 7.1 Rents Charged; 7.2 Development Characteristics; and 7.3 Sustainable Development to prioritize projects which best serve their residents.

- b. *Project-Based Rental Assistance – high priority:* As stated under Threshold Items Section 6.3 (c) and 6.3 (e), in order to be eligible for the supportive housing set-aside of the QAP and for HTF funding, the applicant must demonstrate how units will be made affordable to the targeted population of





persons experiencing homelessness. All developments are required to identify a source of project-based rental assistance for the supportive housing units, generally through Project-Based Section 8 vouchers or CoC funding. Developments that have not identified an operating subsidy source do not meet threshold and will not be considered for funding. As stated under Section 7.1 Rents Charged, Applicants may be eligible for 28 points for rent targeting.

- c. *Timely Undertaking – moderate priority:* As stated under the Threshold Items Section 6.3 (d), the applicant is required to demonstrate their ability to undertake the activities set forth in its application upon receipt of the HTF award, to begin construction within 12 months of receipt of the award, and to complete the development within a 24 month period.
- d. *Extent of Non-Federal Funding – moderate priority:* As stated under the Threshold Items Section 6.3 (c), the applicant must demonstrate all subsidy sources. IHCDA may also award up to 14 points for projects that meet the criteria as outlined in Sections 7.2 (o) Tax Credit Per Unit; 7.2 (p) Tax Credit per Bedroom; 7.4 (a) Firm Commitment; and 7.4 (b) Previous Funding in a Local Government.
- e. *Affordability Period – low priority:* As stated under the Threshold Criteria Section 6.3 (a), applicants must meet the minimum 30 year period of affordability to be eligible for funding.
- f. *Geographic Diversity – medium priority:* As identified in Section 3.7, IHCDA will make no preference to geographic diversity in projects during the HTF application scoring process. IHCDA will, however, make every effort to distribute HTF funds geographically. The ability to do so may be limited by the location of eligible applications and projects which receive adequate scoring to be funded. The primary consideration for geographic diversity will be handled through the selection of teams that are admitted into the Indiana Supportive Housing Institute. Completion of the Institute is a threshold requirement for HTF eligibility.

6.3 Threshold Requirements

Completeness	Location
<p><i>Application and Supporting Documents</i></p> <ul style="list-style-type: none"> • Submit two copies of I application, one as an Excel file and one as a searchable PDF. • Submit all required supporting documents via the IHCDA Sycplicity Site. <p>Mail one complete original copy of the signed application and the signed Environmental Review Record (ERR) to IHCDA by the application deadline. Do not submit paper copies of any other supporting documents.</p>	<p>Uploaded to Syncplicity and mailed to IHCDA</p>
Threshold	Location
<p><i>SAM Status</i></p> <ul style="list-style-type: none"> • Submit a copy of the applicant’s System of Award Management (SAM) status. https://www.sam.gov/portal/SAM/#1 	<p>Tab A_SAM Status</p>
<p><i>Debarment Information</i></p> <ul style="list-style-type: none"> • Submit a copy of the debarment information for each development team entity identified in the application. 	<p>Tab B_Debarment</p>





<p><i>Grievance Procedures</i></p> <ul style="list-style-type: none"> • Submit applicant’s Grievance Procedures. Grievance Procedures must address both current and prospective tenants and provide guidance on (1) how grievances will be submitted, (2) who will review them, (3) timeframe for the review, and (4) the appeal process. 	<p>Tab C_Grievance Procedures</p>
<p><i>Area Need</i></p> <ul style="list-style-type: none"> • HUD requires that IHCDA certify that there is adequate need for each home based on the neighborhood’s housing market. In order to help make this determination please answer all of the questions in the Market narrative in the application. A formal market study is not required. Attach any relevant support material such as previously completed market studies, planning documents, or maps. 	<p>Tab D_Area Need</p>
<p><i>Assisted Households</i></p> <ul style="list-style-type: none"> • Commit to assisting households at or below 60% of the area median income for the county for HOME-assisted units. • Commit to assisting households at or below 30% of the area median income for the county for HTF-assisted units. 	<p>Application</p>
<p><i>Not-for-Profit Applicant Documentation (if applicable)</i></p> <ul style="list-style-type: none"> • Submit an IRS determination letter for 501(c)3 status. • Provide a copy of the Certificate of Existence from the Indiana Secretary of State to provide proof that the organization is in good standing. 	<p>Tab E_Not-for-Profit</p>
<p><i>Audited Financial Statements</i></p> <ul style="list-style-type: none"> • Submit the most recent copy of audited financial statements. 	<p>Tab F_Capacity</p>
<p><i>Owner Authorization (if applicable)</i></p> <ul style="list-style-type: none"> • If the applicant is different from the owner of the development, provide a letter from the owner authorizing the applicant to apply for funding for the owner’s property. 	<p>Tab H_Notifications</p>
<p><i>Previous HUD or USDA-RD Funding</i></p> <ul style="list-style-type: none"> • If development received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development Office and provide proof of sending. 	<p>Tab H_Notifications</p>





<p><i>Visitability Mandate</i></p> <ul style="list-style-type: none"> Any development involving the new construction of single family homes, duplexes, triplexes, or townhomes must meet the following visitability mandate: <p>Visitability is defined as design concepts that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. There are three specific design elements that must be incorporated to satisfy the visitability mandate:</p> <ul style="list-style-type: none"> Each unit must contain at least one zero-step entrance on an accessible route. This can be any entrance to the unit; All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width; Each unit must contain at least one half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11. 	<p>Application</p>
<p><i>Detailed architectural drawings.</i></p> <ul style="list-style-type: none"> The plans and specifications must be in sufficient detail for IHCDA to determine the square footage of each unit, the gross residential square footage of the project (exclusive of common spaces such as halls, stairs, community room, etc.) and the gross square footage of the project as a whole (inclusive of common space). IHCDA will also need a detailed list of unit types (units grouped based on the unit configuration, size and amenities), specifying sub-types of each unit size if necessary, based on differences in layout and/or accessibility requirements. 	<p>Tab I_Architectural Drawings</p>
<p><i>Site Map and Photos</i></p> <ul style="list-style-type: none"> Submit a clear, colored, site map. Submit clear, recent, color site photos including views from all cardinal directions. 	<p>Tab K_Site Map</p>
<p><i>Title Search</i></p> <ul style="list-style-type: none"> Submit evidence of clear title with a title insurance commitment, title search documentation, or an attorney’s opinion letter. 	<p>Tab L_Readiness</p>
<p><i>Construction Cost Estimate</i></p> <ul style="list-style-type: none"> Submit detailed construction cost estimate for the development. 	<p>Tab L_Readiness</p>
<p><i>Site Control</i></p> <ul style="list-style-type: none"> Submit a purchase option or purchase agreement that expires no less than 30 days subsequent to the award announcement date. 	<p>Tab L_Readiness</p>
<p><i>Zoning Approval</i></p> <ul style="list-style-type: none"> Provide a letter no older than six months from the local planning official that certifies the current zoning allows for construction and operation of the proposed homes and any required variances that have been approved. 	<p>Tab L_Readiness</p>





<p><i>Capital Needs Assessment</i></p> <ul style="list-style-type: none"> For developments proposing 26 or more total units, a Capital Needs Assessment is required. 	Tab L_Readiness
<p><i>Environmental Review</i></p> <ul style="list-style-type: none"> Submit completed environmental review forms. Instructions and forms can be found in the IHCD CDBG & HOME Program Manual or the Environmental Review Guide. A FIRM floodplain map must be submitted with each parcel identified on the map. (Any property located in any variation of zone "A" on the map is ineligible for funding). Maps may be downloaded from the FEMA website here: https://msc.fema.gov/portal. 	Tab M_Environmental Review
<p><i>Affirmative Fair Marketing Plan (if applicable)</i></p> <ul style="list-style-type: none"> 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 developments containing five or more HOME-assisted housing units. Submit form HUD 935.2A. 	Tab N_Fair Housing
<p><i>Development Fund</i></p> <ul style="list-style-type: none"> Developments requesting a Development Fund loan must designate at least 50% of the Development Fund-assisted units for households at or below 50% AMI with the remaining Development Fund-assisted units designated for households at or below 80% AMI. 	Application
<p><i>Funding Committed Prior to Application</i></p> <ul style="list-style-type: none"> All other development funding must be committed prior to submitting an application for this HTF and HOME funding to IHCD Please complete the sources and uses tab in the application. 	Tab O_Financial Commitments
<p><i>Letters of Commitment</i></p> <ul style="list-style-type: none"> Submit signed letters of commitment for all funding sources with funding terms and amounts. 	Tab O_Financial Commitments
<p><i>CHDO Operating Supplement</i></p> <ul style="list-style-type: none"> If applying for a CHDO Operating Supplement, fill out Section F of the Sources and Uses tab and the CHDO Operating Supplement tab in the Application Forms. 	Application
<p><i>Rental Proforma</i></p> <ul style="list-style-type: none"> Complete Rental Proforma tab in the IHCD Rental Application Forms. 	Application
<p><i>Match Requirement</i></p> <ul style="list-style-type: none"> The match requirement for the HOME programs is 25% of the total amount of HOME funds requested minus environmental review costs. Match must be committed prior to submitting an application for HOME funding to IHCD. <ul style="list-style-type: none"> Submit the relevant sections of the Match Spreadsheet. Submit letters of commitment for each source of Match. 	Tab O_Financial Commitments



<p><i>Senior Developments</i></p> <ul style="list-style-type: none"> • New Construction: <ul style="list-style-type: none"> ○ 100% of the units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code. • Rehabilitations: <ul style="list-style-type: none"> ○ 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. 	<p><i>The originally signed application will serve as certification that the development will comply with these requirements.</i></p>
<p><i>Universal Design Features</i></p> <ul style="list-style-type: none"> • Applicants must adopt a minimum of two universal design features from each universal design column below. Features found in Column A are regarded as being of high cost and/or high burden of inclusion to the development. Features found in Column B are regarded as being of moderate cost and/or moderate burden of inclusion to the development. Features found in Column C are regarded as being of low cost and/or low burden of inclusion to the development. Applicants must identify which features they will be undertaking on the Universal Design Form. 	<p>Application</p>



Supportive Housing Institute

- Applicant must successfully fulfill all requirements of the 2017 Indiana Supportive Housing Institute for the specific development for which it is applying. In order to demonstrate that all Institute requirements have been met, the applicant must obtain a letter from CSH certifying that:
 - The team attended all Institute sessions; and
 - CSH has reviewed the proposed development, operating, and service budget, tenant selection plan, operation plan, and supportive service plan. The development team must submit its draft budgets and plans to CSH 45 days prior to the intended application submission date in order to allow time for review and comments; and
 - Project concept is aligned with Institute goals, including target population to be served and use of the Housing First model.
- Applicant must enter into an MOU with CSH for ongoing technical assistance (to be provided from completion of Institute until at least the end of the first year of occupancy). A copy of the MOU must be provided with the application.
- Applicant must enter into an MOU with each applicable supportive service provider. A copy of the MOU(s) must be provided with the application.
- Applicant must identify all subsidy sources. Funding commitments must be provided with the application. If funding has not yet been committed, applicant must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. If applicant is applying for Project Based Section 8 vouchers through IHCDA, the supplemental voucher application must be submitted.

Required Documentation

- i. CSH letter certifying completion of the Institute, review of applicable plans, and conformance with Institute goals/the Housing First model; and
- ii. Copy of executed CHS MOU; and
- iii. Copies of all applicable service provider MOUs; and
- iv. Documentation of subsidy source commitments or narratives as described in item #4 above; and
- v. If applicable, supplemental voucher application to apply for IHCDA Project Based Section 8.

Tab G_CSH
Requirements





Universal Design Features		
Column A	Column B	Column C
Front loading washer and dryer with front controls, raised on platforms or drawers in each unit or all laundry facilities	At least one entrance to the ground floor of a unit shall be on a circulation path from a public street or sidewalk, a dwelling unit driveway, or a garage. That circulation path shall be a ramp or sloped walking surface. Changes in elevation shall not exceed ½” (All one & two family dwellings only)	Audible and visible smoke detectors in each unit
Walk-in Bathtub or shower with a folding or permanent seat (Senior Living Facilities 10% of the units, and 5% of the units for non-senior)	In kitchens, provide pull out shelves or Lazy Susan storage systems in base corners cabinets	Light switches located 48” maximum above the finished floor in each unit
Range/oven with controls located to not require reaching over burners in 10% of the units	All interior doors shall have a minimum clear width opening of 31-3/4”	Lighting controls are rocker, or touch sensitive control
Wall oven with 27” minimum knee clearance under the door in the open position and controls 48” maximum above the floor in 10% of the units	Adjustable height shelves in kitchen wall cabinets in each unit	Over bathroom lavatories, mirrors with the bottom edge of the reflecting surface 40 inches maximum above the floor or a tilt mirror that provides a similar view in each unit
Toilets that meet the provisions for location, clearance, height and grab bars in 2009 ICC A117.1 Section 604.5 in one bathroom in each unit	Where provided, telephone entry systems shall comply with ANSI.SASMA 303.-2006, Performance Criteria for Accessible Communication Entry Systems	Lever handle faucets on lavatories and sinks in each unit
Provide an accessible route from the garage into the dwelling in 10% of the units with attached private garages	Provide one of the following in one bathroom within each unit: 1. Adjustable height shower head that allows for a shower head to be located below 48” above the tub or shower floor; or 2. Hand-held showerhead with a flexible hose 59” minimum in length	Full length mirrors with the bottom of the reflecting surface lower than 36” and top to be at least 72” above the floor in each unit





Curb cuts along an accessible route throughout the development in accordance with 2009 ICC A117.1 Sections 406.13	Remote control heating and cooling in each unit	Where provided, signage identifying unit numbers shall be visual characters, raised characters and braille
Side by side refrigerators in each unit	In the kitchen, provide a 30" x 48" clear floor space adjacent to the sink, dishwasher, cooktop, oven, refrigerator/freezer and trash compactor	Where room lighting is provided, provide remote controls or motion sensor controls
Where private garages are provided, automatic garage door openers on the garage doors	At least one section of the counter or a pull out surface shall provide a work surface with knee and toe clearances in accordance with ICC A117.1 Section 1003.12.3	Bathtub/shower controls located 48" maximum above the tub floor in each unit
Provide in the kitchen a sink and a work surface in accordance with ICC A117.1 Sections 1003.12.3.2 and 1003.12.4.2 in 10% of the units	Built in microwave with an adjacent clear floor space and controls located 48" maximum above the floor in each of the units	Pulls on drawers & cabinets in each unit
Provide Motion detector controls for the outside lights at least on entrance in each unit	For kitchen and bathroom countertops, provide a visual contrast at the front edge of the counter or between the counter and the cabinet in all units	At least one garden area raised to a minimum of 15" above the adjacent grade
A removable base cabinet in kitchens at the sink and one work surface and at the lavatory in at least one bathroom in accordance with ICC A117.1 Sections 1003.12.3.1, 1003.12.4.1 and 1003.11.2 in all bottom level units	Provide a 30" x 48" clear floor space in each bathroom. Where bathroom doors swing in, the clear floor space must be beyond the swing of the door	Provide 10 fc lighting for at least one work surface in each unit
In kitchens, provide pull out shelving for all standard base cabinets in each unit	All hallways 42" or wider in each unit	Controls for bathtubs or showers located between the centerline of the bathtub or shower stall and the front edge of the opening in at least one bathroom in each unit



Provide a roll-in shower in at least one bathroom in accordance with ICC A117.1 Section 608.2.2 or 608.2.3 in each unit	All wall reinforcements for a second handrail at stairways in each unit	All closet rods adjustable or provide a portion of each closet with two clothes rods at different heights in each unit
In 10% of the units, provide cook top with toe & knee clearance underneath in accordance with ICC A117.1 Section 1003.12.5.4.2. The underside of the cook top shall be insulated or otherwise configured to protect from burns, abrasions or electric shock	Where walls are provided adjacent to toilets, bathtubs or showers, provide blocking for a future installation of grab bars in accordance with ICC A117.1 Section 1004.11.1	Slide or bi-folding closet doors for reach-in closets in all units
Dishwasher unit with all operable parts and shelving between 15" and 48" above the flooring 10% of the units	All doors intended for user passage shall have a minimum clear width opening of 31-3/4"	Lever hardware doors intended for user passage in each unit
A fixed or fold down seat in the shower or a bathtub with a seat in at least one bathroom of 10% of the units	Kitchen Faucet with pull out spout in lieu of side mount sprayer in each unit	Electric outlets raised 15" minimum above the finished floor in each unit. Dedicated outlets and floor outlets are not required to comply with this section
Grab bars in bathroom and shower in 10% of the units (1 st bathroom only for two bathroom units)	Provide a means of identifying visitors without opening the door in accordance with ICC A117.1 Section 1006.5.2	Provide a lighted doorbell at the outside of the primary entrance door to each unit in accordance with ICC A117.1 Section 1006.5.1
Remote controlled drape, blinds and/or curtains in 5% of the units	Significant color contrast between floor surfaces and trim in each unit	Countertop lavatories with lavatories located as close to the front edge as possible in 10% of the units
Carpet complying with ICC A117.1 Section 302.2 or slip resistant flooring	Visual contrast between stair risers and stair treads in each unit that contains stairways	Self-closing drawers on kitchen cabinets
		Mailboxes located between 24"-48" above the ground





Part 7: Scoring Criteria

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

Scoring Category	Points Possible
Development Characteristics	18
Development Features	30
Readiness	8
Capacity	23
Leveraging of Other Sources	6
Total Possible Points	85

An application must score at least 40 points to be considered for funding.

7.1 Development Characteristics **Category Maximum Points Possible: 18**

1). *Opportunity Index*

Maximum Number of Points: 10

Applicants may earn up to 10 points (with two points for each feature) for developments located within areas of opportunity.

- **Public Transportation (2 points):** Points will be awarded to developments located within a half-mile of a public transit station or bus stop. For communities with a population of 14,999 or less, point-to-point transportation is eligible as long as it is provided by a public or not-for-profit organization and is available to all residents of the development. Taxis, Uber, or other ride-sharing programs are not eligible for points. For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

In order to receive points for this scoring subcategory, the applicant must submit a map in **Tab P_Project Characteristics** including:

- Specific development location,
 - Transit station or bus stop location, and
 - A half-mile radius drawn from the development location.
- **Unemployment Rate (2 points):** Points will be awarded to developments located within a county that has an unemployment rate below the state average. (<http://opportunityindex.org/>). For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.
 - **Job Growth (2 points):** Points will be awarded to developments located within a county that has a 12 month change in employment percentage in the top half of the state using the Department of Labor’s Quarterly Census of Employment and Wages as listed on





<https://beta.bls.gov/maps/cew/us>. For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

- Employer Proximity (2 points): Points will be awarded to developments located within five miles of at least one of a county’s top 10 employers. County employer data can be found at <http://www.hoosierdata.in.gov/buslookup/BusLookup.aspx>.

In order to receive points for this scoring subcategory, the applicant must submit a map in Tab P_Project Characteristics including:

- Specific development location;
- The location of the qualifying employer(s)
- A five mile radius drawn from the project location.

- Poverty Rate (2 points): Points will be awarded to developments located within a county that has a poverty rate below the state average (<http://opportunityindex.org/>). For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.
- County Median Household Income (2 points): Points will be awarded to developments located within a county that has a median household income above the state average (<http://opportunityindex.org/>). For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.
- Census Tract Income Level (2 points): Points will be awarded to applicants proposing developments located in higher income neighborhoods compared to surrounding areas. Points will be determined according to the Federal Financial Institutions Examination Council's (FFIEC) income level of its census tract. Find the census tract income level by entering the project address at the FFIEC website (<https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>) and clicking “Census Demographic Data” below the matched address. For scattered site developments, points will be averaged according to the number of units within each income level.

FFIEC Income Level	Points
Upper	2
Middle	1
Moderate	.5
Low	0

2) Health and Quality of Life Factors

Maximum Number of Points: 8

Applicants may earn up to 8 points for developments located in counties with high health outcomes or in areas in close proximity to fresh produce and other positive land uses.

- Health Factors (2 points): Points will be awarded to developments located within a county that has a ratio of population to primary care physicians of 2,000:1 or lower. <http://www.countyhealthrankings.org/app/indiana/2017/measure/factors/4/data>) (For





scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- Fresh Produce (2 points): Points will be awarded to applicants proposing developments located within a mile of a supermarket or grocery store with fresh produce. For scattered site developments, at least 75% of the proposed homes must meet this requirement to be eligible for points.

Stores with fresh produce must:

- Be currently established;
- Have a physical location; and
- Have regular business hours.

Staff will independently verify that the location meets the above requirements. As part of the clarification process, the applicant may be required to provide additional information. For the purposes of this scoring subcategory, farmers’ markets, produce stands, gas stations, convenience stores, and drug stores do not qualify.

In order to receive points for this scoring subcategory, the applicant must submit a map in **Tab P_Project Characteristics** including:

- Specific development location;
 - Store or market location; and
 - A mile radius drawn from the project location.
- Proximity to Positive Land Uses (4 points): Points will be awarded to applicants proposing developments located within three miles of the locations listed in the table below. A maximum of four points is available in this category. For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

Site	Points
Community or recreation center	1 point
Park or public greenspace	1 point
Primary care physician or urgent care facility	1 point
Pharmacy	1 point
Sidewalks or Trails	.5 point
Clothing, department store	.5 point
Bank	.5 point
International or ethnic food market	.5 point
Education facility	.5 point
Licensed child care facility	.5 point
Social service center	.5 point
Government office (i.e. town hall, trustee’s office)	.5 point
Post Office	.5 point
Public Library	.5 point
Cultural arts facility	.5 point





In order to receive points for this scoring subcategory, the applicant must submit a map in Tab P_Project Characteristics including:

- i. Specific development location;
- ii. The location of the qualifying site(s)
- iii. A three mile radius drawn from the project location.

7.2 Development Features

Category Maximum Points Possible: 30

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

1) *Existing Structures*

Maximum Number of Points: 6

Points will be awarded to developments that utilize existing structures on at least 50% of the assisted units.

Existing Structure	Points
Project is rehabbing at least 50% of the square footage of a vacant structure(s) for housing; OR	5
Development is rehabbing at least 50% of the units or square footage, whichever is greater, of existing housing stock; OR	5
Development is rehabbing existing Federally Assisted Affordable Housing	6

In order to receive points, the applicant must submit in **Tab Q_Development Features:**

- Documentation of whether or not the building is occupied.
- For existing Federally Assisted Affordable Housing rehabilitation, submit documentation from the entity enforcing affordable housing requirements evidencing the rent and income restrictions applicable to such property including the term of such restrictions.

**Note: Developments receiving points in the Infill New Construction category are not eligible for points in the Existing Structure category.*

2) *Historic Preservation*

Maximum Number of Points: 2

Points will be awarded to a development that contains at least one unit that is a historic resource to the neighborhood.

In order to receive points, the applicant must submit in **Tab Q_Development Features:**

- Either a letter or report from the National Park Services, or Department of Natural Resources Division of Historic Preservation and Archaeology that specifically identifies the site as a historic resource or contributing to a historic district; or





- A photocopied page from the most recent county Indiana Sites and Structures Interim Historic Report showing the structure is Contributing, Notable, or Outstanding in the County’s Interim Report.

3) *Infill New Construction*

Maximum Number of Points: 5

Points will be awarded to demolition and new construction developments that meet IHCDA’s criteria for infill. For the program, IHCDA defines infill housing as the process of developing on vacant or underused parcels of land within existing areas that are already largely developed or previously developed. At least two sides of the project must be adjacent to occupied residential development, operating commercial development, active public space, or another active community activity.

For purposes of this category, the following will not qualify as infill housing:

- Existing agricultural land,
- Land where agriculture was the last use and it was within the last 5 years except within corporate limits,
- Undeveloped Master Planned Communities, or
- Existing structures that will be rehabilitated.

In order to receive points, the applicant must submit in **Tab Q_Development Features:**

- Aerial photos of the proposed site(s) with the site labeled;
- For scattered site projects, all of the proposed development sites must meet the infill attribute scoring criteria to receive points.

**Note: Developments receiving points in the Existing Structure category are not eligible for points in the Infill New Construction category.*

4) *Design Features*

Maximum Number of Points: 4

Points will be awarded for each design feature chosen, for a maximum of four points in this category.

Design Feature	Points
Exterior walls are at least 50% durable material (brick, stone, or cement board)	1
Includes LED lighting	1
Roofing system has at least a 30-year warranty (must provide supporting documentation from the manufacturer to qualify)	1
Porch with a minimum of 48 square feet with a roof that is permanently attached to the residence	1
Deck or patio 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 a roof, is enclosed on all sides and has at least one door for vehicle access	1
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
Attached or unattached storage space measuring at least 5' x 6' (not a mechanical closet)	1
Playground	1
Community room	1

5) *Universal Design Features*

Maximum Number of Points: 5

Points will be awarded for applicants that propose developments that go beyond the minimum threshold requirement for universal design features. Please refer to the universal design features chart in the threshold section of this policy. The applicant will be required to submit the Building Form identifying the Universal Design Features of the project. The applicant will be awarded points as follows:

Number of Universal Design Features in Each Column	Points
5	5
4	4
3	3

Please refer to the table of universal design features on page 29.

6) *Smoke-Free Housing*

Maximum Number of Points: 3

Points will be awarded if the development commits to operate as smoke-free housing. In order to receive points, the applicant must submit in **Tab Q_Development Features:**

A smoke-free housing policy that addresses (at a minimum) the following items:

- Definition of who the rule applies to (e.g. not only residents but also their guests on the property, staff, etc.);
- Definition of smoking;
- Explanation of where smoking is prohibited on the property. Smoking must be prohibited in individual units and all interior common space. The plan should also designate a smoking area on the property. The designated smoking area must prohibit smoking within a minimum of 15 feet of any buildings;
- Explanation of how the smoke-free rules will be communicated and enforced;





- If the development is the preservation of existing housing that is not currently smoke-free, then the plan must include an explanation of how the property will transition to a smoke-free environment; and
- Draft smoke-free housing lease addendum that will be signed by all households.

IHCDA recommends the American Lung Association of Indiana’s “Smoke-free Housing Indiana Toolkit” as a resource to create a smoke-free housing policy. See <http://inSmokefreehousing.com> for more information.

7) *Green Building*

Maximum Number of Points: 5

Up to five points will be awarded for the green building techniques listed below. The signed application forms will be proof of these commitments.

Green Building Technique	Points
Orient structures on East/West axis for solar exposure	1
Include new 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
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
Low flow toilets or dual flush toilets	1
R-Value insulation exceeding Indiana State Building Code	1
Recycle deconstructed building material	1
Incorporate permeable paving	2
Install high-efficiency, tank-less water heaters	2
Use on-site solar energy to reduce resident utility costs	2

7.3 Readiness

Category Maximum Points Possible: 8

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

1) *Predevelopment Activities*

Maximum Number of Points: 5

Points will be awarded to applicants that have completed some predevelopment activities according to the chart below. Applicants are eligible to receive up to five points. Points will only be awarded if the required supporting documentation, italicized below the activity description, is included in **Tab L_Readiness**.

For scattered site developments, documentation for each site must be submitted in order to receive the points. Documents should be clearly labeled with the site addresses for ease in reviewing the documentation.





Predevelopment Activity Completed	Points
Asbestos Testing <i>Submit a copy of the assessment report.</i>	1
Lead Testing <i>Submit a copy of the assessment report.</i>	1
Appraisal <i>Provide an appraisal that is no older than 6 months.</i>	1
Preliminary Design Plans <i>Provide electronic copies of architectural and/or engineering plans.</i>	1
Property Survey <i>Provide an electronic copy of the property survey.</i>	1
Capital Needs Assessment/Structural Needs Report <i>Provide a copy of the report performed by a licensed professional.</i>	1
CHDO Predevelopment Loan <i>Applicants that fully utilized a CHDO Predevelopment Loan for the current HOME application are eligible for one point.</i>	1
Comprehensive Community Plan <i>Provide a copy of ONE plan for each jurisdiction that meets all of the following criteria:</i> <ul style="list-style-type: none"> • <i>Specific references to the creation of or need for housing</i> • <i>No older than 15 years</i> • <i>Public participation and narrative about efforts leading to the creation of the plan</i> • <i>A target area map with the proposed development sites labeled</i> • <i>Resolution showing adoption by the highest local unit of government</i> 	2

2) Contractor Solicitation

Maximum Number of Points: 3

Points will be awarded to applicants who invite material participation in the proposed development by Indiana contractors. To qualify for these points, a minimum of five letters inviting contractors to participate in the bidding of the project must be sent, with at least 20% of these letters going to state certified Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Federal Disadvantaged Business Enterprises (DBE), Veteran- Owned Small Businesses (VOSB), and/or Service Disable Veteran Owned Small Businesses (SDVOSB).

In order to receive points, the applicant must submit in **Tab L_Readiness**

- A copy of the letter inviting the various contractors to participate in the bidding of the project,
- Evidence of received receipt of invitation by five contractors, and
- A copy of each of the 20% of applicable and current state certifications or a print out from the State’s certification list clearly indicating the entities and when the certification list was printed.





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://midstatesmsdc.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/

7.4 Capacity

Category Maximum Points Possible: 23

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

1) *Certification*

Maximum Number of Points: 5

Points will be awarded for a member of the development team, property management team, applicant, and/or administrator staff who has completed the following certifications. Five points will be awarded for the completion of two of the six certifications listed below. The completion of only one of the certifications below will receive three points. If two staff members hold the same certification, points will be awarded for two certifications.

If you do not see a certification you have received on the list that you believe would be relevant, please consult with your Real Estate Production Analyst at least one week prior to the application due date to request that it be eligible for points.

Required IHCDA Compliance Trainings, IHCDA application and policy webinars, IHCDA application and policy trainings, and IHCDA feedback sessions are not eligible for points in this category.

Attach copies of the certification completion in **Tab S_Capacity**.

Certification	Sponsoring Organization
CHDO Capacity Building Certification (Must have attended all webinars in either 2016 or 2017)	Indiana Housing and Community Development Authority (IHCDA)/HPG Network
Project Development Training	Prosperity Indiana
Housing Development Finance Professional	National Development Council (NDC)
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	Indiana Housing and Community Development Authority (IHCDA)
Certified HOME Program Specialist	HUD/CPD

2) Overall IHCDA Award Performance of the Applicant Maximum Number of Points: 8

Applicants with an IHCDA award monitored within the past five years may be eligible for points based on the applicant’s overall performance. Only the most recently monitored award is eligible for points. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Applicants cannot qualify for points under both the New Administrator Experience and IHCDA Award Performance.

Description of Overall Award Performance	Points
Applicant’s most recently monitored HOME award had no findings and no concerns.	8
Applicant’s most recently monitored HOME award had no findings, but concerns were noted. OR No HOME experience, but Applicant’s most recently monitored CDBG award had no findings and no concerns.	6
Applicant’s most recently monitored HOME award had only one finding. OR No HOME experience, but Applicant’s most recently monitored CDBG award had no findings but concerns were notes.	4
No HOME experience, but Applicant’s most recently monitored CDBG award had only one finding.	2



<p>Does not meet any category above. Examples:</p> <ul style="list-style-type: none"> • More than one finding on most recently monitored award. • Applicant has no experience with IHCDA within the past five years. 	0
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3) *Administrator Experience*

Maximum Number of Points: 5

Only applicants without an IHCDA award in the past five years that have properly procured an administrator with previous IHCDA HOME experience may receive points in this category. Five points will be awarded if the administrator has successful experience administering an IHCDA HOME award that has been monitored within the past five years. In order to qualify for points, the most recently monitored award must not have had any findings. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Experience	Points
Administrator's most recently monitored HOME award had no findings.	5

4) *Timely Expenditure of Funds*

Maximum Number of Points: 5

Points will be awarded to an applicant or administrator that has expended their most recent IHCDA award (HOME or CDBG) funds by the award expiration date without requesting award extensions. The award must be from within the past five years. Please list the award number in the application forms.

Award Length	Points
Applicant or administrator's most recent IHCDA award (HOME or CDBG) completed by the award expiration date.	5

5) *IHCDA Award Inspection Performance of the Applicant*

Maximum Number of Points: 2

Applicants or administrators with an IHCDA award inspected within the past five years may be eligible for points based on their IHCDA inspection results. Points will be awarded if zero building code issues were noted on their last monitored inspection of their most recent award.



6) CHDO Certification

Maximum Number of Points: 3

An applicant that applies and is certified as a Community Housing Development Organization will receive three points.

7.5 Leveraging of Other Sources

Category Maximum Points Possible: 6

Points will be awarded to applicants whose proposed project has received either 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, volunteer labor, Federal Home Loan Bank funding, federal, state or local government funds, in-kind donations for labor or professional services, sweat equity, donated material and equipment. Banked or shared match is not eligible.

Points will be awarded based on the Amount of Funding divided by the Total Development Costs:

Percentage of Total Development Costs	Points
.50% to 1.99%	1
2.00% to 3.99%	2
4.00% to 5.99%	3
6.00% to 7.99%	4
8.00% to 9.99%	5
Greater than 10%	6

To receive points in this category, the applicant must submit the following in **Tab O_Financial Commitments**:

- Provide a letter from the appropriate authorized official approving the funds. The letter must include a description of the type of approved funding for the proposed development and the amount of funding.
- In-Kind Donations – Labor or Professional Services: Submit commitment letter from donor(s) specifying number of hours they intend to donate and their professional service pay rate.
- In-Kind Donations – Sweat Equity: Submit a copy of sweat equity policy.
- In-Kind Donations – Donated Material and Equipment: Submit commitment letter from donor(s) specifying either the total value of the donated materials or the rental equipment rate and number of hours the equipment will be donated.
- Banked Match: Submit commitment letter signed by non-profit Board President.





Part 8 : Glossary

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

Development: The HTF activity proposed in the application.

Extremely Low-Income: A household at or below 30% of area median income.

HTF: The Housing Trust Fund program.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum income limits per household for program units. For HTF, the maximum income limit is 30% of area median income.

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.

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. For HTF, the maximum rent limit is the 30% AMI rent limit.

