



To: HTF Program Partners
From: Real Estate Department
Date: September 27, 2022

Notice: **RED-22-53**

Re: Gap Funding for HTF Developments Due to Cost Increases- Policy Extension

On November 18, 2021, IHCDCA released the policy for National Housing Trust Fund as Gap Financing via RED Notice 21-54. Effective today, IHCDCA is extending the policy.

The policy has been extended until the earlier of: (1) March 31, 2023 or (2) such time that all funds have been allocated.

The extended policy is described below.

Note: Developments funded with Low Income Housing Tax Credits are not eligible to follow the policy outlined in this notice. LIHTC developments may request additional gap financing through the TCAP program, as described in RED Notice 22-51.

NATIONAL HOUSING TRUST FUND GRANTS AS GAP FINANCING

IHCDA will offer increases of up to \$500,000 in additional HTF for developments with already approved National Housing Trust Fund ("HTF") grants as defined below. Only developments that have already received HTF are eligible to request additional HTF through this policy.

Eligible Applicants

Developments with a combination of HOME and HTF awards or developments solely funded with HTF that either:

- 1) Have closed on all financing and are under construction but continue to experience a funding gap due to increased costs; or
- 2) Have not closed on financing and are experiencing a funding gap due to increased costs.

Ineligible Applicants

LIHTC developments are ineligible to request additional funding through this policy.

Eligibility Requirements

- For developments that have not closed on all financing, the closing must occur within 60 days of securing a commitment of additional HTF from IHCDCA. No exceptions or extensions will be granted.



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- Cost increases must be due to unforeseen occurrences that coincided with the onset of COVID-19.
- The development must continue to meet all HUD and IHCD HTF policies, including per unit HTF subsidy limitations.

Award Terms

HTF awards will be made as grants. The existing HTF award agreement and HTF lien and restrictive covenant agreement will be modified to reflect the additional HTF funds.

HTF-funded developments are subject to a 30-year affordability period.

Submission Requirements and Instructions

Applicants must submit the following:

- Updated Application Form with documentation of all sources.
- A narrative describing the need for additional funding and other steps already taken to fill the gap, including any applicable supporting documentation.

Application materials must be submitted electronically using a OneDrive folder. Applicants should contact Peter Nelson at PNelson@ihcda.in.gov to request access to a folder

Application Process

Effective the date of this notice, applications will be accepted and approved by IHCD on a first come, first-served basis. Once submitted to IHCD, IHCD anticipates providing a response within 30-60 days.

Applications will be accepted until the earlier of: (1) March 31, 2023 or (2) such time that all funds have been allocated. IHCD will post an application and award list on the HTF webpage.