



State of Indiana - 2025 Draft Qualified Allocation Plan

Policy Brief

The Qualified Allocation Plan (“QAP”) is a comprehensive document that defines the process that the Indiana Housing and Community Development Authority (“IHCDA”) uses to allocate federal tax credits for the creation of affordable housing through the Rental Housing Tax Credit (“RHTC”) Program. IHCDA modifies the QAP, generally every two years, to promote current priorities and goals by incorporating new requirements, redefining set-asides, and adjusting scoring categories. The 2025 QAP is a one-year revision.

One of the most prominent new priorities of this one-year QAP is the creation of new, affordable rental units in underserved rural areas and small cities. This priority was first emphasized through the 2024 General Set-Aside, and IHCDA continues to promote a wide geographic spread of investment of RHTC throughout the state via changes in the 2025 QAP. The tax credit program has current developments (placed in service or under construction) in 187 of Indiana’s 696 cities and towns. With this policy focus IHCDA hopes to extend its reach into some of those 500+ communities without access to this type of housing.

To achieve this goal, the first draft of the 2025 QAP includes the following targeted, proposed changes to the 9% round of RHTC:

- The Large City set-aside has been eliminated in favor of increasing amounts set aside under the Small City, Rural, and Supportive Housing set-asides. Applications for developments in large cities will still be accepted in other set-aside categories as well as through both the competitive and non-competitive 4% RHTC/bond rounds. IHCDA will propose to reinstate the Large City set-aside in the 2026-2027 QAP.
- The definitions of Large City and Small City have been adjusted to focus the Small City set-aside on areas with smaller populations, specifically those with fewer than 50,000 residents.
- The Housing Need Index has been expanded to provide points for:
 - cities and towns with a per household supply of affordable housing units that is less than the state average for households at 80% AMI,
 - counties where housing built before 1940 dominates the housing stock, and
 - counties with lower than the state average vacancy rate, indicating a tight housing market and few available units.
- Consideration of previous 9% RHTC funding within a jurisdiction has been adjusted to favor those cities, towns, and counties which have not seen any such direct investment within the past 5, 10, or 15 years.

Note: The Indiana Housing Dashboard (IndianaHousingDashboard.com) serves as a source for demographic and economic data to support the scoring in various categories, especially regarding the Housing Need Index.

The draft QAP also includes new priorities to promote development by emerging XBE Developers (MBE, WBE, DBE, VOSB, and SDVOSB entities) and the inclusion of on-site daycare for children or adult day centers for seniors.

A summary of changes and the full draft may be accessed [here](#). Written public comments may be submitted to arakowski@ihcda.in.gov until Monday February 5, 2024. IHCDA will host a public hearing on Thursday February 1, 2024, at 1:00 PM Eastern Time at IHCDA’s office at 30 S. Meridian Street, Indianapolis, IN 46204. For virtual log-in options for the public hearing, please see the details in [RED Notice 24-04](#).