State of Indiana

2022

Qualified Allocation Plan

This plan constitutes the Qualified Allocation Plan ("QAP") for the State of Indiana and is intended to comply with the requirements set forth in Section 42 of the Internal Revenue Code, as amended, including all applicable rules and regulations promulgated thereunder (collectively, the "Code"). As used herein, "Applicant" shall include any owner, principal, or participant, including any affiliates.

This QAP applies to all allocations of 2022 Rental Housing Tax Credits ("RHTC") pursuant to the Code, multifamily private activity tax-exempt bonds ("Bonds"), and supplemental awards of Indiana Affordable Housing and Community Development Fund ("Development Fund"), HOME Investment Partnerships Program funds ("HOME"), and National Housing Trust Fund ("HTF") made in conjunction with RHTC (collectively "Rental Housing Financing").

The QAP sets forth (1) the role of the Indiana Housing and Community Development Authority ("IHCDA") in administering the Rental Housing Financing programs; (2) IHCDA's housing goals based on perceived needs throughout the state; (3) guidelines for Developments receiving RHTC in conjunction with Private Activity Tax-Exempt Bond Financing; (4) the set-aside categories established by IHCDA to further its housing goals; (5) minimum threshold requirements which all Applicants and Developments must satisfy in order to be considered for Rental Housing Financing; and (6) the evaluation factors which IHCDA will use to in score each application that satisfies all applicable minimum requirements.

Contents

Table of Contents

1. Role of IHCDA
2. Authority's Housing Goals and Priorities
3. Private Activity Tax-Exempt Bond Financing
4. Set-Aside Categories
5. Threshold Requirements
6. Scoring Criteria
7. Miscellaneous

Table of Contents

Commented [RM1]: Will update Table of Contents in final draft.

Section 1. ROLE OF IHCDA....... 6
Section 2. AUTHORITY'S HOUSING GOALS AND PRIORITIES....... 7
2.1 Vision and Mission 7
2.2 Housing Goals 7
Section 3. PRIVATE ACTIVITY TAX-EXEMPT BOND FINANCING....... 8
Section 4. SET-ASIDE CATEGORIES....... 9
4.1 Qualified Not-for-Profit 10
4.2 Stellar Community Designation....... 11
4.3 Community Integration 12
4.4 Development Location 13
4.5 Preservation of Existing Federally Assisted Affordable Housing....... 14
4.6 Workforce Housing....... 15
4.7 Housing First / Supportive Housing 15
4.8 IHCDA General....... 17
Section 5. THRESHOLD REQUIREMENTS....... 18
5.1 Threshold Requirements 18
A. Development Feasibility 18
B. IHCDA Notification 19
C. Not-for-Profit Participation....... 19
D. Market Study 20
E. Mulitiple Applications for Same Site....... 20
F. Multiple Applications Prior to 8609 Issuance 21
G. Capabilities of Development Team....... 21
H. Readiness to Proceed 22
1) Application....... 22
2) Site control 22
3) Development site information 23
4) Financing....... 24
5) Zoning....... 25
I. Access to Utilities 26
J. Evidence of Compliance....... 26

K. Phase I Environmental Site Assessment.....27
L. Development Fund State Historic Review.....29
M. Applicable State and Local Requirements & Design Requirements.....29
N. Lead-Based Paint Pre-Renovation Rule.....29
O. Commercial Areas.....30
P. Appraisal.....30
Q. Acquisition.....30
R. Rehabilitation Costs / Capital Needs Assessment.....31
S. Tenant Displacement and Relocation.....31
T. IRS Form 8821 Information Authorizaiton.....32
U. Underwriting Guidelines.....32
V. Threshold Requirements for Supportive Housing.....36
W. Irrevocable Waiver of Right to Request Qualified Contract Right.....36
5.2 User Eligibility and Limitations.....37
A. Development Limitations.....37
B. Developer Fee Limitations.....38
C. Contractor Fee Limitations.....39
D. Architect Fee Limitations.....40
E. Consultant Fee Limitations.....40
F. Contingency Limitations.....40
G. Reasonableness of Project Costs.....40
H. Related Party Fees.....41
5.3 Minimum Development Standards.....41
A. Minimum Equipment and Accessibility.....41
B. Minimum Design Requirements.....42
C. Minimum Amenities for Age-Restricted Developments.....44
D. Minimum Unit Sizes.....44
E. Universal Design Features.....45
F. Smart Use Training.....49
G. Visitability Mandate.....50
H. Threshold Requirements for Affordable Assisted Living.....50
5.4 Special Housing Needs.....50
5.5 Affordable Housing Database.....50
5.6 Indiana Housing Online Management System – https://ihcdaonline.com/.....50

5.7 Application Disqualification 50
Section 6. SCORING CRITERIA 52
6.1 Rents Charged 53
6.2 Development Characteristics 54
A. Development Amenities 54
B. Accessible or Adaptable Units 56
C. Universal Design Features 57
D. Vacant Structure 57
E. Development is Historic in Nature 58
F. Preservation of Existing Affordable Housing 60
G. Infill New Construction 61
H. Promotes Neighborhood Stabilization 62
I. Community Revitalization Plan 64
J. Federally Assisted Revitalization Award 65
K. Off-Site Improvement, Amenity and Facility Investment 66
L. Tax Credit Per Unit 68
M. Tax Credit Per Bedroom 68
N. Internet Access 68
6.3 Sustainable Development Characteristics 69
A. Building Certification 69
B. Water Conservation 70
C. Desirable Sites 70
6.4 Financing and Marketing 74
A. Leveraging Capital Resources 74
B. Leveraging Opportunity Zones 76
C. Non-IHCDA Rental Assistance 76
D. Previous 9% Tax Credit Funding within a Local Government 77
E. Census Tract without Active Tax Credit Developments 77
F. Housing Needs Index 78
G. Lease Purchase 79
6.5 Other 79
A. Certified Tax Credit Compliance Specialist 79
B. MBE, WBE, DBE, VOSB, SDVOS 81
C. Unique Features 83

D. Tenant Investment Plan 84
E. Integrated Supportive Housing 85
F. Smoke-Free Housing 88
G. Community Participation 88
H. Reducing the Impact of Eviction 89
I. Technical Correction Period 90
J. Lack of Progress of Issuance of Form 8609 91
Section 7. MISCELLANEOUS 92
7.1 Application Dates 92
7.2 Fees 92
A. Application Fee 92
B. Conditional Commitment Reservation Fee 93
C. Additional Fees 93
7.3 Use of forms 94
7.4 Semi-Annual Progress Reports 94
7.5 Changes in Ownership 94
7.6 Development, Financing, and/or Application/Owner Modifications 95
7.7 Applying for RHTC with other Rental Housing Financing 95
7.8 Carryover Allocations and Lock-In Agreements 96
7.9 Issuance of IRS Form 8609 96
7.10 Dissemination of Information 98
7.11 Exchange of Credits 98
7.12 Requesting Additional IHCDA Resources after a Credit Allocation 99
7.13 Performance Violation 99

Section 1 - Role of IHCDA

IHCDA is empowered to act as the housing credit agency for the State of Indiana to administer the allocation of Rental Housing Tax Credits (RHTC), also known as Low-Income Housing Tax Credits (LIHTC), pursuant to Section 42 of the Internal Revenue Code and this Allocation Plan.

Part 1.1|Purpose of Qualified Allocation Plan

This Allocation Plan:

- has been established utilizing the selection criteria required by the Code and the housing priorities of IHCDA, which are appropriate to local conditions.
- defines preferences in allocating Rental Housing Financing among selected Developments that meet IHCDA's housing goals.
- provides procedures that IHCDA (or its agent or private contractor) will follow in monitoring for compliance with the provisions of the Code, in conducting inspection, and in notifying the Internal Revenue Service of noncompliance.

Part 1.2|DISCLAIMERS

Any action, determination, decision, or other ruling made by IHCDA pursuant to this Allocation Plan shall not be construed to be a representation or warranty by IHCDA as to a Development's compliance with applicable legal requirements, the feasibility or viability of any Development, or of any other matter whatsoever. No action of IHCDA shall be relied upon by any person as a representation or warranty by IHCDA in connection therewith.

IHCDA reserves the right to resolve all conflicts, inconsistencies, or ambiguities, if any, in this Allocation Plan or which may arise in administering the allocation of Rental Housing Financing. In the event of a conflict or inconsistency between this Allocation Plan and the Application Form and/or Appendices, the policies and procedures described in this Allocation Plan shall prevail.

IHCDA, in its sole discretion, reserves the right to, and may from time to time, amend this Allocation Plan for any reason, including to assure compliance with applicable federal, State or local laws and regulations thereunder which may be amended or enacted, to reflect changes in market conditions, to respond to disaster recovery efforts, or to terminate the program.

Commented [RM2]: A statement that IHCDA could amend the QAP to respond to disasters was previously located in the set-aside section, but more logically belongs here.

IHCDA, in its sole discretion in any application round, may elect not to allocate RHTC to a Development that might otherwise qualify for an allocation or to allocate resources to lower ranked proposals to achieve a better mix of resource usage, a better geographic distribution of resources, or for any other reason judged by IHCDA to be meritorious. IHCDA reserves the right and shall have the power to allocate Rental Housing Financing to an Application irrespective of its point ranking, if such intended allocation is: (1) in compliance with the Code, (2) in furtherance of the Housing Goals stated herein, and (3) determined to be in the interests of the citizens of the State of Indiana. IHCDA will provide a written explanation to the public for any allocation of RHTC which is not made in accordance with the selection criteria in this Allocation Plan.

Any decision IHCDA makes and any action or inaction by IHCDA in administering the program shall be final and conclusive and shall not be subject to any review, whether judicial, administrative, or otherwise.

Section 2 - Authority's Housing Goals and Priorities

Part 2.1|IHCDA Vision and Mission

This Allocation Plan has been written to further IHCDA's vision and mission through the allocation of Rental Housing Financing. IHCDA's vision is an Indiana with a sustainable quality of life for all Hoosiers in the community of their choice. IHCDA's mission is to provide housing opportunities, promote self-sufficiency, and strengthen communities.

Part 2.2|Housing Goals

IHCDA's goal is to support and encourage Developments that:

- set aside units at a variety of rent and income levels.
- contribute to comprehensive neighborhood improvement and have the capability of changing the character of a neighborhood.
- substantially upgrade and preserve existing affordable housing.
- connect residents with services to enhance self-sufficiency and quality of life.
- serve tenant populations with special housing needs, including persons experiencing homelessness and persons with disabilities.

Section 3 - Private Activity Tax-Exempt Bond Financing

Developments applying for 4% RHTC and tax-exempt bonds must satisfy and comply with all requirements for an allocation under this Allocation Plan and the Code.

Applications will be limited to a maximum request of $35,000,000 in bond volume. IHCDA reserves the right to reduce the maximum bond request or to close the bond application round based on available bond volume. Any such changes will be announced via RED Notices.

For additional requirements and information on how to apply for 4% RHTC and tax-exempt bonds, see Schedule D - Private Activity Tax-Exempt Bond Requirements.

Section 4 - Set-Aside Categories

IHCDA's tax credit ceiling for allocation in any one year is the sum of the following components:

1. Annual Per Capita Credits – determined by the state's population
2. Carry Forward Credits – unused credits from a previous year carried forward for allocation in the succeeding year
3. Returned Credits – credits returned from Developments that received an allocation in previous years
4. National Pool - If IHCDA allocates its tax credits to a de minimus amount in any one year, it is eligible to receive additional credits from a pool of credits returned to the IRS as unused by other states.

To achieve its housing goals, IHCDA has established the following set-aside categories for allocation of 9% RHTC. There are no set-aside categories for 4% RHTC and tax-exempt bond applications.

- Development by qualified not-for-profit organizations
- ~~Stellar Community Designation;~~
- Developments that serve persons with intellectual and developmental disabilities in an integrated housing setting
- Development location (Large City, Small City, and Rural)
- Preservation of existing federally-assisted affordable housing
- ~~(vi) Developments that address the need for workforce housing~~
- Developments that utilize the Housing First model of supportive housing for persons experiencing homelessness

An application may compete in more than one set-aside category depending upon its location, its characteristics, and whether the owner is a qualified not-for-profit organization. However, an application may compete in only one Development Location set-aside (Large City, Small City, or Rural).

The set-aside categories, their respective requirements, and the percentage of annual RHTC allocated to each are described below. IHCDA may exceed the percentage of credits reserved per set-aside to completely fund an application.

% of Available RHTC	Set-Aside Category
~~10~~15%	Qualified Not-for-profit
~~10%~~	~~Stellar Community Designation~~
10%	Community Integration
~~10~~15%	Large City
~~10~~15%	Small City
~~10~~15%	Rural
10%	Preservation
~~10%~~	~~Workforce Housing~~

10%	Housing First
10%	General

IHCDA intends to allocate RHTC in a manner consistent with this distribution. If the distribution cannot be met due to the quality or quantity of applications received, IHCDA may allocate any RHTC remaining without regard to these set-aside categories, as long as such allocation is made in accordance with the Code and the goals of this Allocation Plan.

Part 4.1|Qualified Not-for-Profit

~~10~~15% of available annual RHTC will be set aside for qualified not-for-profits.

To constitute a qualified not-for-profit organization, the not-for-profit must meet the following requirements throughout the Compliance Period:

- One of the not-for-profit organization's exempt purposes must include the fostering of low-income housing.
- The not-for-profit organization must own 100% of the general partner interest in the Development. Note: 100% general partner ownership interest is only required by a qualified not-for profit for consideration in this set-aside and does not preclude joint ventures in any other set-aside.
- The not-for-profit organization must materially participate in the development and operation of the Development. A nonprofit entity is considered to be materially participating "where it is regularly, continuously, and substantially involved in providing services integral to the development and operation of a project." For more information, see Internal Revenue Code Section 469(h), Chapter 6 of the IRS *Low-Income Housing Credit Audit Technique Guide*, and Part 2.3B of the IHCDA Compliance Manual.
- The not-for-profit organization must comply with all other sections of the Code applicable to not-for-profit organizations, including the requirement that such organization not be affiliated with or controlled by a for-profit organization as determined by IHCDA.
- No part of the not-for-profit's net earnings may benefit any member, founder, contributor, or individual.
- The not-for-profit must have been in existence with affordable housing as one of its primary goals at least one year prior to the date of application.
- The not-for-profit must receive at least 35% of the developer fee. If any developer fee is deferred, the for-profit's and not-for-profit's deferral must be proportionate to the amount of developer fee they are to receive.

Developments competing in this set-aside but funded under a different set-aside will still be subject to the set-aside requirements, including the material participation requirements. This will be reflected on the Reservation Letter and Form 8609.

Required Documentation: Place in Tab C

- Articles of Incorporation or formation documents for the not-for-profit
- IRS documentation of §501(c)(3) tax-exempt status
- A complete signed Not-for-Profit Questionnaire (Form B) with required attachments

~~Part 4.2 | Stellar Community Designation~~

~~10% of available annual RHTC will be set aside for Developments that are part of a designated Indiana Stellar Community Investment Plan or Stellar Regional Investment Plan.~~

~~In order to compete under this set-aside, the following conditions must be met:~~

- ~~The community or region must have an active Stellar Community Designation. Communities or regions that were named finalists but not chosen as designees are not eligible under this set-aside.~~
- ~~The proposed Development must be specifically identified as part of the three-year Stellar Community Strategic Investment Plan or Stellar Regional Investment Plan which identifies capital and quality of life projects to be completed during the Stellar designation period.~~

Part 4.~~3~~2 | Community Integration

10% of available annual RHTC will be set aside for Developments that commit to serving individuals with intellectual or developmental disabilities by providing affordable housing in an integrated setting.

To be eligible for the Community Integration set-aside, Developments must reserve at least 20% but not more than 25% of the total development units for households in which at least one member is a person with an intellectual or developmental disability. The qualifying member does not have to be the head of household or co-head.

In order to create integrated housing settings and discourage segregation based on disability, the number of units reserved for this population cannot exceed 25% of the total development units. In addition, the units must be spread throughout the property, must float, and cannot be clustered into a separate designated area. Creating designated buildings or areas solely for occupancy by persons with disabilities does not qualify under the set-aside.

~~All units reserved for persons with intellectual or developmental disabilities under this set-aside must be rent-restricted at or below the applicable 30% rent limit, unless. The at- or below-30% requirement~~

~~applies specifically to the rent limits, not necessarily to the income limits. All income limits for the Development may still be set at the federal minimum set-aside level if elected on the application, .~~

An application competing under the Community Integration set-aside may not also propose to create supportive housing units for persons experiencing homelessness or request integrated supportive housing points.

The following documentation must be submitted to be considered under this set-aside:

- Form A must identify the percentage of units designated for occupancy by the target population
- Narrative must describe how the Developer will seek input from persons with disabilities and provide a housing setting that assists in integrating persons with intellectual and developmental disabilities into the community. Narrative must also include a description of how residents with disabilities will gain access to necessary supportive services and transportation.~~, which may include transportation options~~.
- Copy of an executed Memorandum of Understanding with ~~appropriate state or local entities which may~~ at least one provider that serves persons with intellectual or developmental disabilities. The identified provider(s) must agree to refer clients to the ~~housing units~~Development and to connect residents with appropriate supportive services. This does not mean that the provider must directly provide those services, nor can the provider mandate participation in services as a condition of occupancy.

A referral from the identified provider will serve as documentation that the individual has a qualifying disability and property management will not inquire further into the nature of the disability during the application process and tenant screening. In addition to this referral, an individual with a Home and Community Based Service Waiver through the Indiana Division of Disability and Rehabilitative Services is also eligible and waiver status shall be deemed proof of eligibility. An applicant who was not referred by the identified provider and who does not have a Home and Community Based Service Waiver may still qualify if they provide third-party verification demonstrating an intellectual or developmental disability. This verification must follow the Fair Housing Act requirements for verification of disability and cannot inquire into the nature of the disability. For additional information on Fair Housing and disability verification, see the IHCDA RHTC Compliance Manual or contact an IHCDA Compliance Auditor.

Developments competing in this set-aside but funded under a different set-aside will still be subject to the set-aside requirements.

Required Documentation: Place in Tab A

- Community Integration Set-aside Narrative - this is a separate narrative from the three-page Development Narrative.
- Copy of executed MOU(s) with ~~service~~ referral provider(s)

Part 4.~~4~~3 | Development Location

Each application will compete in only one Development Location set-aside defined below. If a Development consists of sites in multiple locations that encompass different set-asides, the application will compete in the set-aside that has the most units (or the most residential square footage if unit counts are equal).

- ~~10~~15% of available annual RHTC will be set aside for Developments in a Large City, defined as a city with a population of 75,000 or more (see Appendix C). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

- ~~10~~15% of available annual RHTC will be set aside for Developments in a Small City, defined as a city with a population of 15,000 – 74,999 (see Appendix D). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

- ~~10~~15% of available annual RHTC will be set aside for Developments in a Rural area, where the Development is:
  - Within the corporate limits of a city or town with a population of 14,999 or less; or
  - In an unincorporated area of a county that does not contain a Large City or Small City as set forth in the QAP; or
  - In an unincorporated area of a county that contains a Large City or Small City whereas:
    i. The Development is outside the ~~two~~one-mile jurisdiction of either a Large City or Small City as defined in the QAP; and
    ii. The Development does not have access to public water or public sewer from either the Large City or Small City as defined in the QAP.

~~If any part of the State of Indiana is officially declared a disaster area by the Governor of the State of Indiana, IHCDA may give preference to Developments in this area which will assist in providing affordable housing to people affected by the disaster. In order to be considered for this priority the Development must provide the following information in Tab A:~~

~~1) Documentation that the Development will be located in an area that has been officially declared a disaster area by the Governor of the State of Indiana.~~

~~2) A narrative description of how the proposed Development will help the area and the individuals affected by the disaster.~~

Commented [RM3]: Moved to Part 1.2 as a more concise statement about IHCDA's ability to modify the QAP in response to disasters.

Part 4.~~5~~4 | Preservation of Existing Federally-Assisted Affordable Housing

10% of available annual RHTC will be set aside for Developments involving the substantial rehabilitation of existing federally-assisted affordable housing and/or the demolition and decentralization of federally-assisted affordable housing units utilizing the same site (over 50% of the units must be replaced).

Federally-assisted affordable housing includes:

- HUD or USDA funded affordable housing
- Any RHTC project where the Compliance Period has expired or will expire in the current year and the extended use agreement is still in place. IHCDA will not allow a change to the minimum set-aside election currently applicable to the project or release the current recorded extended use agreement.

To be eligible for the set-aside, a Development must meet the following requirements:

- If a Development contains multiple building and construction types, at least 50% of the units must qualify as preservation units.
- Rehabilitation hard costs must exceed $30,000 per unit excluding the costs of furniture and the construction of community buildings and common areas.
    - Exception: USDA Rural Development Section 515 properties may include the cost of construction of community buildings and common areas in the minimum per unit amount.

Required Documentation: Place in Tab L

- Capital Needs Assessment (Schedule F): due 30 days before the application deadline
- Third-party documentation from the entity enforcing affordable housing requirements evidencing the rent and income restrictions applicable to the property, including the terms of such restrictions. The Applicant does not need to submit this documentation for existing RHTC properties.
- Hard cost budget separating out the cost for furniture and the construction of community buildings and common areas.

~~Part 4.6 | Workforce Housing~~

~~10% of available annual RHTC will be set aside for Developments that address the need for workforce housing. To qualify, all units in the proposed development must be located in a county that has a combined ranking in the top 10% of the State for 1) Economic Well-Being and 2) Employment and Productivity, as reported on Stats America Innovation 2.0 (www.statsamerica.org/ii2), and that county must not have received an allocation under the Workforce Housing Set-aside in the 2018-2019 QAP.~~

~~Below is the list of the six qualifying counties for 2020 allocations, listed in alphabetical order. IHCDA will issue a RED Notice identifying the qualifications for the 2021 Workforce Housing set-aside and reserves the right to utilize a different dataset if deemed appropriate:~~

- ~~Daviess~~
- ~~Gibson~~
- ~~Hamilton~~
- ~~Hancock~~
- ~~Hendricks~~
- ~~Warren~~

~~Developments competing in this set-aside cannot be age-restricted and must elect an income averaging minimum set-aside.~~

Part 4.~~7~~5 | Housing First / Supportive Housing

10% of available annual RHTC will be set aside for supportive housing for persons experiencing homelessness utilizing a Housing First model. Housing First is an evidence-based approach to engage and rapidly house individuals experiencing homelessness and to provide intensive but flexible services to support housing retention.

Eligible Applicants must demonstrate participation in the Indiana Supportive Housing Institute ("The Institute"). The Institute provides training and support to organizations planning to develop supportive housing. Initial drafts of tenant outreach and engagement strategies, tenant selection policies, property management plans, and service plans must be completed as part of the Institute process and prior to submission of an RHTC application under the Housing First Set-aside. Participation in the Institute is based on a competitive RFP selection process. Applicants must successfully fulfill all requirements of the Institute for the specific development for which they are applying.

NOTE: If a Development Team is accepted into the Institute (1) under an Institute RFP that is designated for non-RHTC funded projects or (2) based on a proposal for a non-RHTC funded project, then that team's development is not eligible under the Housing First Set-aside of the QAP.

Applications competing in the Housing First set-aside must meet the following requirements:

- 100% of the units in the Development must be committed as supportive housing. Developments proposing to have only a portion of the units as supportive housing (i.e. "integrated supportive housing") are not eligible in this set-aside but are given special consideration in scoring evaluation (see Evaluation Factors Part 5(e)).

- The Development must serve persons experiencing homelessness who are identified as the most vulnerable and most in need of supportive housing. The Institute RFP released each year will define the target populations that participating teams may choose. Each team participating in the Institute must develop a concept that serves one of the allowable target populations for that Institute.

- Services must be voluntary but readily available, with staff continually working to engage and build relationships with the tenants. Participation in services cannot be required for the tenant to obtain or maintain housing. Staff must utilize a harm reduction approach to services in addressing substance use.

- Property management must work collaboratively with supportive service providers and tenants to implement eviction prevention practices. Property management should attempt to exhaust all other solutions, including the use of supportive services, prior to serving a tenant an eviction notice. Eviction must be used only as a last resort.
- Property management must utilize the local Continuum of Care Coordinated Entry System as the referral source for tenant selection and must adopt a screening process that ensures supportive housing is accessible to the target population. The tenant selection plan must be written specific to supportive housing principles, may not screen out individuals based on credit history or previous landlord history, and must implement low-barrier criminal background screening procedures.
- Must utilize the Homeless Management Information System (HMIS) for reporting
- Must meet the additional supportive housing threshold requirements outlined in Part 5.1(T) and the accessibility requirements of Part 5.4(C)

Developments competing in this set-aside but funded under a different set-aside will still be subject to the set-aside requirements.

Part 4.~~8~~6|IHCDA General

10% of available annual RHTC will be set aside for Developments that further IHCDA's mission and priorities irrespective of scoring. IHCDA will exercise its sole discretion in the allocation of the General set-aside. ~~IHCDA will hold an annual public hearing to receive input on the General set-aside and will then release a notice with the timeline and requirements for competing in the set-aside.~~

For the 2022 General Set-aside, IHCDA will allocate the credits to the highest scoring remaining applications in the 2022 tax credit round after IHCDA identifies allocation recommendations for the other seven set-asides.

Section 5 - Threshold Requirements

Each application must meet all minimum threshold requirements outlined in this Section. IHCDA will remove from consideration all applications failing to meet these requirements.

All information submitted to IHCDA pursuant to this Allocation Plan must be satisfactory to IHCDA in its sole discretion. If IHCDA requests additional information from an Applicant, such information must promptly be submitted within the timeline set by IHCDA.

For 9% applications, ~~A~~a**ll documentation (e.g. certifications, letters, etc.) must be dated within six months prior to the application deadline date, unless otherwise noted.** **For 4%/tax-exempt bond applications, all documentation must be dated within six months prior to the application submission date.** This does not apply to site control documentation as long as the expiration date is after the anticipated reservation date.

~~IHCDA, in its sole discretion, will consider a waiver request from any Applicant, Owner and/or Developer in regard to any of IHCDA's Threshold Requirements, User Eligibility and Limitations, and Minimum Development Standards except for those listed below. IHCDA must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include the following:~~

- ~~The specific Threshold requirement for which the Development is requesting a waiver~~
- ~~A detailed description as to why the Development cannot meet the Threshold requirement~~
- ~~Any additional information the Applicant would like IHCDA to consider with the request~~
- ~~Payment of the $500 waiver request fee for each Threshold item requested to be waived~~

~~IHCDA will provide a written response to the request.~~

~~IHCDA will not entertain the following types of waiver requests:~~

- ~~Maximum credit request~~
- ~~Request to submit a third application prior to issuance of Form 8609 in Indiana~~
- ~~Waivers related to set-aside requirements or scoring~~
- ~~Requirement to waive the right to request release of the extended use agreement through Qualified Contract~~

Commented [RM4]: Not removing the waiver policy, moved to Part 5.5.

Part 5.1|Threshold Requirements

Each Development shall satisfy all requirements of the Code, all other applicable federal laws, and any additional requirements as set forth in this Allocation Plan throughout the required Compliance Period and Extended Use Period.

A. Development Feasibility

Amounts allocated pursuant to this Allocation Plan may not exceed an amount which IHCDA, in its sole discretion, determines is necessary for the financial feasibility of a Development and its viability as a qualified low-income housing Development throughout the Compliance Period. In making this determination, IHCDA shall consider: (i) the sources and uses of funds and the total financing planned for the Development; (ii) the general reasonableness of the development and operational costs of the Development, as well as reasonableness in direct comparison to similar costs in other applications; and (iii) such other factors it may consider applicable.

Pursuant to the Code, the foregoing determination shall be made at: (i) the time of application for the Rental Housing Financing; (ii) the time of allocation of the RHTC equity amount; (iii) anytime there is a material change to the application and/or Development; and (iv) the date the building is placed in service or at time of final application (prior to the issuance of IRS Form 8609).

Required Documentation: Application (Form A) and any additional documentation regarding the financial feasibility of the Development. Additional documentation may include third-party documentation of sources, costs, and uses of funds.

If the Application is proposing commercial space as part of the tax credit ownership, the following pro formas must be submitted in Tab A:

- 15-year pro forma showing only the commercial portion of the Development
- 15-year pro forma showing only the housing portion of the Development
- 15-year pro forma showing the housing portion and the commercial portion of the Development combined

B. Notification of Intent to Apply

At least 30 days, but no more than 60 days, prior to application submittal, the Applicant must submit Form C to notify IHCDA of their intent to apply. The Applicant must submit Form C electronically to IHCDA via: RHTC@ihcda.in.gov.

C. Not-For-Profit Participation

A not-for-profit that has an ownership interest in the proposed Development (even if not competing in the Qualified Not-for-profit set-aside) must submit a resolution from its Board of Directors that includes language that approves:

- The application being made for specific Rental Housing Funding (i.e. private activity tax-exempt bonds, RHTC, HOME, Development Fund, etc.)
- The percentage of ownership interest the not-for-profit has in the venture
- The anticipated amount of Developer Fee the not-for-profit will receive
- Any developer fee to be deferred, if applicable

Required Documentation: Place in Tab C

- Resolution signed by the not-for-profit's Board of Directors. If the document is approved during a Board of Directors meeting, a quorum should pass and sign the resolution and such resolution shall be incorporated into the Minutes of the meeting.

- All not-for-profits with 100% ownership of the General Partner that wish to compete in the Qualified Not-for-profit set-aside must submit a signed Not-for-profit Questionnaire with required attachments (Form B).

D. Market Study

A market study meeting all requirements of Schedule C must be prepared at the Developer's expense by a disinterested third-party selected from IHCDA's approved Market Study Analyst list. The selected market study analyst must be approved to conduct market studies for the specific project type (general affordable, permanent supportive housing, or assisted living/residential care). The market study must demonstrate that sufficient demand for the proposed Development exists in the market area and is expected to continue during the term of the Compliance Period.

IHCDA reserves the right to deny an application based on its market analysis.

Required Documentation: Place in Tab N

A comprehensive market study of the housing needs of low-income individuals in the area to be served by the Development.

E. Multiple Applications for Same Site

IHCDA will not consider or review more than one application for the same or substantially the same site within a particular application cycle.

F. Multiple Applications Prior to 8609 Issuance

An Applicant, Owner, and/or Developer must be issued IRS Form 8609 for a Development within the State of Indiana prior to submitting a second application for RHTC.

IHCDA, in its sole discretion, will consider a waiver for an Applicant, Owner, and/or Developer that has materially participated in a successfully completed (i.e. has been issued IRS Form 8609) Development in Indiana while associated with or working for a different organization. IHCDA must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include: (i) the name and BINs of each Development in which the Applicant materially participated; (ii) the role the Applicant played in each Development, and; (iii) any additional information the Applicant would like IHCDA to consider with the request. IHCDA will provide a written response to the request.

IHCDA will not consider a waiver request to submit a third application for RHTC before the Developer is issued IRS Form 8609 for its first development in Indiana.

Required Documentation: Completed Form A (Application)

The Applicant, Owner, and Developer must submit the name and BIN Number of the most recent RHTC Development in which they participated with an ownership interest or were part of the Development Team (including as a consultant).

G. Capabilities of Development Team

The Applicant, Owner, Developer, Management Agent, and any other member of the Development Team listed in the application must demonstrate sufficient financial, development, and managerial capabilities to complete the Development and maintain it for the applicable affordability period(s).

The Applicant, Owner, Developer, Management Agent, and any other member of the Development Team must be in good standing with IHCDA. IHCDA will remove the application from consideration if any Development Team member is currently on IHCDA's suspension or debarment list or currently in default on an IHCDA loan.

Required Documentation: Place in Tab D

- Most recent year-end financial statements and the current year-to-date balance sheet and income statements from:
    - The Developer
    - Any individual/entity providing guarantees for the Development
    - Management Agent, if requested by IHCDA as part of threshold review
- Resumes showing adequate experience of the Developer and the Management Agent
- IHCDA may require audited or CPA reviewed financial statements, copies of tax returns, or additional documentation to be submitted upon request.

H. Readiness to Proceed

The Applicant must demonstrate readiness to proceed as by submitting all of the following:

1) A complete application in the form required by IHCDA and by the deadline established and set forth in this Allocation Plan. See Schedule G for Application Package Submission Guidelines.

    Required Documentation: Place in Tab A

    - Application (Form A)
    - Narrative Summary of the Development (not to exceed 3 pages) and separate Unique Features Narrative (not to exceed 1 page)

- ~~Check made payable~~Payment to IHCDA for the appropriate application fee~~. The check must be attached to the application~~ through IHCDA's online payment portal.

2) Satisfactory evidence of site control, including verification of current ownership.

Required Documentation: Place in Tab E

- Purchase Agreement or Option that does not expire until after the reservation date for RHTC, and evidence of title by title insurance commitment, title search documentation, or attorney's opinion; OR

- Executed and Recorded Deed; OR

- Long-term lease option (term of lease may not expire prior to the end of the Extended Use Period) and evidence of title by title insurance commitment, title search documentation, or attorney's opinion; OR

- All of the following documentation when an Applicant intends to acquire a site and/or building through a governmental body:

    - Duly adopted resolutions of the applicable governmental agency or commission designating the subject site
    - Duly adopted resolutions of the applicable governmental agency or commission authorizing the acquisition of the land to comprise the Development
    - A letter from the applicable governmental agency or development commission setting forth the acquisition schedule for such land on a timetable consistent with the Applicant's readiness to proceed without undue risk of Rental Housing Financing being returned to or rescinded by IHCDA
    - Evidence of title by title insurance commitment, title search documentation, or attorney opinion

The site control documentation submitted must be in the name of the Development Owner or Applicant. Site control documentation submitted in the name of the General Partner of the ownership or in the name of the Limited Partner of the General Partnership will not be accepted as evidence of proper site control. However, the General Partner of the ownership or the Limited Partner of the General Partnership may be listed as the seller on site control documentation.

3) Development Site Information

Required Documentation: Place in Tab F

Preliminary architectural plans that include:

- Unit plan(s) with the **square footage** for each type of unit

- Dimensioned floor plans for all unit types showing the location of common areas and units, including exact placement of all accessible or adaptable units

- Scaled drawing elevations for all building types.

  - Exception: rehabilitation projects may instead submit renderings or photographs if they are accompanied by a certification from an architect that elevations will not change.

- Basic site plan indicating all existing buildings, all proposed structures, and any proposed demolition.

  The site plan must indicate:

  - The placement and orientation of buildings, parking areas, planned and existing public sidewalks, landscaping, easements, trash dumpsters, buffers, the number of parking spaces, etc.
  - The exact placement and number of accessible or adaptable units if not listed on the floor plans
  - If any portion of the site is in a flood plain or contains wetlands. If a flood plain or wetlands exist on the site, the site plan must indicate the location of buildings, common areas, and any land improvements in relation to the flood plain/wetlands.
  - The location of planned site amenities including playgrounds, gazebos, walking trails, etc.
  - The site boundaries and include the location of any streams, ravines, gullies, drainage problems, or other construction deterrents

- Current aerial photograph with the location of the site clearly marked and the surrounding uses and access points to the site clearly visible. Scattered site projects must submit a map indicating the location of each site with the parcel number or address labeled for each property.

- Current photographs of the project site (images obtained from a website are not acceptable). If this is a rehabilitation project, include images of each side of the existing structures.

All site documentation must be dated no more than 12 months prior to the application date. Rehabilitation projects in which there are no proposed structural changes will be allowed to submit the most current architectural plans (which may be dated more than 12 months prior to the application date) along with an affidavit from the architect certifying that there are no proposed structural changes to the floor plans. IHCDA may perform site visits and evaluations of the Development to determine the satisfaction of these requirements.

4) Demonstrated ability to obtain funding for the Development (equity, loans, grants, etc.)

Required Documentation: Place in Tab G

a) For each primary source of construction and permanent financing, including any bank financing, a ~~L~~lender letter of interest addressed to the Applicant in support of the application. The lender letter of interest must contain:

- A representation and acknowledgment stating that the lender has reviewed:
  - The same application submitted or to be submitted by the Applicant to IHCDA
  - The minimum set-aside election (40-60, 20-50, or Average Income) and the income and rent restrictions elected by the Applicant
  - The Minimum Underwriting Criteria set forth in this Allocation Plan
  - Any other special use restriction elections made by the Applicant
- The anticipated terms of the loan including loan amount, term, amortization period, annual payment, and interest rate

b) For any funding not yet awarded, a certification from the Applicant that includes:

- An explanation of how the Development is eligible for the funding source
- The plan to fill the gap if this funding is not awarded. Note: This applies to IHCDA gap sources, including Development Fund, Housing Trust Fund, or HOME.
- Developments applying for the Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP) must identify the anticipated application date, their Member Bank, and their regional FHLB in the certification narrative.

c) For additional funding of any kind that has already been awarded for the Development, a copy of the award letter. The award letter must include the expiration date for the award.

~~c)~~d) For equity listed as a source during construction (if applicable), a letter from the anticipated equity provider indicating the equity pay-in schedule and demonstrating the amount of equity available during construction.

5) Documentation that shows the real estate upon which the Development will be located is properly zoned for the proposed use

Required Documentation: Place in Tab H

- A letter from the appropriate authorized government official (e.g. zoning commission) that describes the Development location and certifies that the current zoning allows for the construction and operation of the proposed Development without the need for additional variance
    - With documentation of failed attempts to obtain information from the appropriate authorized government official, the Applicant may instead submit an attorney's opinion that the current zoning allows for the construction and operation of the proposed Development without the need for additional variance.
- A copy of all approved variances on the property (if applicable)
- If a Planned Unit Development (PUD), a copy of the appropriate documentation (e.g. PUD organization & requirements)

I. Access to Utilities

At the time of application, Applicant must certify there will be access to water, sewer, electric, and/or gas to the site with sufficient capacity to satisfy the requirements of the Development.

Required Documentation: Certification in Form A (Application)

J. Evidence of Compliance

Every Development Team member with an ownership interest in any Development that has received an allocation of RHTC from IHCDA must follow IHCDA's compliance requirements as set forth in the RHTC Compliance Manual, a copy of which is attached as Schedule A to this Allocation Plan and made a part hereof.

Any Development found to be in violation of this Allocation Plan or the Code will be subject to a reduction or rescission of Rental Housing Financing, and all Development Team members may be subject to suspension or debarment from participating in all IHCDA programs.

Any entity currently on IHCDA's suspension or debarment list or in default with IHCDA or any lender or partner is ineligible to apply for RHTC.

All Development Team members with an ownership interest in any RHTC Development must demonstrate that any prior compliance findings have been resolved.

Required Documentation: Place in Tab J~~The following documentation must be submitted and placed in Tab J:~~

~~1) All of the Development Team members with an ownership interest or material participation in any affordable housing Development must disclose any outstanding non-~~

~~compliance issue(s) and loan default(s) with any state or federal affordable housing program (including private activity tax-exempt bonds) in which it has participated. Failure to disclose may result in the loss of funding.~~

Each principal of the General Partner or managing member of an LLC and each member of the Development Team (as identified in Form A) must submit a written affidavit ~~in Tab J~~ disclosing:

- Their complete interest in and affiliations with the proposed Development
- Any outstanding noncompliance issues on any federal or State affordable housing program and any loan defaults
- All other RHTC Developments in Indiana in which they own(ed) an interest
- The Management Agent named in Form A must add language to its affidavit certifying that:
    - They have reviewed the application including the operating budget
    - They can effectively manage the property according to the requirements of the Code, this Allocation Plan, and the elections made by the Owner/Applicant in the application

K. Phase I Environmental Site Assessment

A full Phase I Environmental Assessment must be completed prior to application.

Regarding the date of the Phase I, one of the following will be acceptable to IHCDA:

- A Phase I ESA report dated within six months of the application submission date; or
- If the Phase I ESA report is dated between six months and 18 months prior to the application submission date, the Applicant must submit an update to the report prior to closing if an update is required by the investor.

Commented [RM5]: Not new, moved up from below

Required Documentation: Place in Tab K

- Environmental Phase I completed by an experienced and qualified disinterested third-party ~~hired by the Applicant~~. The Environmental Phase I must address hazardous substances, wetlands, and flood plains. Wetland Delineation ~~and USGS~~ maps are required to document the existence of wetland areas on the site and must be included in the Environmental Phase I. If there are no wetland areas on the site, a wetlands delineation is not required ~~but in all cases USGS maps must be included in the Environmental Phase I~~.
- An affidavit from the entity completing the Environmental Phase I certifying that they are a disinterested third-party.
- If the Environmental Phase I identifies Recognized Environmental Conditions (RECs), the Applicant must submit a narrative describing how the RECs will be mitigated and how these costs will be paid.

- A FIRM floodplain map must be submitted with each parcel identified on the map. **IHCDA requires official FEMA maps – third-party maps, even those created using FEMA data, are ineligible. If a FEMA map is not available for an area, the Applicant must submit a printout or screenshot of the FEMA website documenting that no map is available. In this specific instance, the Applicant may submit a DNR map in place of a FEMA map.** Maps may be downloaded from the FEMA website here: https://msc.fema.gov/portal.

- If ~~a~~ hazardous substances, a flood plain, or wetlands are located anywhere on the site, the site plan must show the location of all buildings, common areas, and improvements in relation to the hazardous substances, flood plain, or wetlands. The Applicant must submit:
    - Evidence that the hazardous substances, floodplain, or wetlands can be mitigated.
    - A plan and budget for mitigating the hazardous substances, floodplain, or wetlands.

Commented [RM6]: Not new, moved up from below

- Applications that propose the placement of buildings in a 100-year flood plain (Zone A1-30, AE, A, AH, AO, AR, or A99 as defined by HUD) must include the following documentation. **Note: A site located in any variation of zone "A" on the map is ineligible for HOME funding.**
    - A FEMA map for the areas in which the development site is located identifying the 100-year flood plain.
    - A FEMA Conditional Letter of reclassification for the property that indicates eligibility for reclassification out of the flood plain area.
    - A letter provided by a qualified licensed surveyor or civil engineer identifying necessary mitigation activities and costs for the site work involved in the reclassification.
    - A letter identifying the financing plan to cover the costs of reclassification.

For all properties that receive an award of RHTC and are located in a 100-year flood plain at the time of initial application, a final letter of reclassification from FEMA along with an elevation certification must be provided at the completion of the Development.

~~If wetlands or hazardous substances exist on the site, the Applicant must submit: 1) evidence that the wetlands or hazardous substances can be mitigated; and 2) a plan, that includes financing, of how the Applicant anticipates mitigating the wetlands or hazardous substances.~~

Commented [RM7]: Moved above

~~Regarding the date of the Phase I, one of the following will be acceptable to IHCDA:~~

~~1. A Phase I ESA report dated within six months of the application submission date; or~~
~~2. If the Phase I ESA report is dated between six months and 18 months prior to the application submission date, the applicant must submit an update to the report dated prior to closing if required by the investor.~~

Commented [RM8]: Moved above

L. Development Fund State Historic Review

Applicants requesting Development Fund must submit the State Historic Review documentation as required by Indiana Code 14-21-1-18. Instructions for the Development Fund State Historic Review process can be found in the Environmental Review Record and Section 106 User's Guide ("User's Guide"). Applicants must determine if buildings or structures in the Development are listed individually in the State or National Register of Historic Places.

Required Documentation: Place in Tab K

- A map from IDNR's Indiana Historic Buildings, Bridges, and Cemeteries Map tool to show proof of determination. Refer to Appendix 3 of the User's Guide for directions on how to research your property. Refer to Appendix 9 for sample maps.
- If the Development sites or structures are listed in the National Register of Historic Places or the State register, IHCDA may request more information prior to sending the application to SHPO for the Certificate of Approval (CofA). The CofA review will take a minimum of 30 days once received by SHPO. Refer to the User's Guide or DNR's website for more information.

M. Applicable State and Local Requirements & Design Requirements

Applicant must certify they will follow all applicable conditions and requirements of State and local laws, statutes, regulations, ordinances, and other proper authorities, including the requirements specified in the application and such additional items which may be required by IHCDA (collectively "State Laws").

Additionally, Applicant must certify that the Development has been designed to comply with the requirements of all applicable local, State, and federal fair housing and accessibility laws. Development design must consider, at a minimum, the applicability of standards established through local building codes, the Federal Fair Housing Act, the Americans with Disabilities Act, the Rehabilitation Act of 1973, and the Indiana Handicapped Accessibility Code, as amended.

Required Documentation: Certification in Form A (Application)

N. Lead-Based Paint Pre-Renovation Rule

Applicants who perform rehabilitation work on pre-1978 buildings are required to comply with the Lead-Based Paint Pre-Renovation Rule ("Lead PRE") and the State of Indiana's Lead-Based Paint Rules where applicable. For more information, visit www.epa.gov/lead or https://www.in.gov/isdh/26550.htm

Required Documentation: Certification in Form A (Application)

O. Commercial Areas

Applicants proposing Developments with commercial areas must submit the following items.

Required Documentation: Place in Tab F

- A detailed, square footage layout of the building and/or property identifying all residential and commercial areas
- A timeline for construction showing that all commercial areas will be completed prior to the residential areas being occupied

P. Appraisal

If any portion of RHTC or any other IHCDA resource is used for acquisition, eligible basis for acquisition credits will be calculated based on the lesser of the actual amount paid for the building or the appraised fair market value.

An appraisal is also required at time of Application if the Applicant is requesting IHCDA Project Based Vouchers (PBV), even if not requesting acquisition credits. If requesting PBV from another housing authority, the Applicant will be required to submit the appraisal later as part of the subsidy layering review.

Required Documentation: Place in Tab L

The Applicant must submit a fair market appraisal (completed by a qualified appraiser), completed no earlier than six months prior to the application deadline. The fair market appraisal must be at a minimum an "As Is" appraisal and must adhere to the Uniform Standards of Professional Appraisal Practice ("USPAP"). A statement to this effect must be included in the report. USPAP standards can be found at www.appraisalfoundation.org.

Q. Acquisition

1. If any portion of RHTC is used for acquisition, the Development must either be exempt from or meet the 10-year placed-in-service rule requirement of IRC Section 42(d)(2)(B)(ii).

   Required Documentation: Place in Tab L
   - A chain of title report from a title company; OR
   - A professional tax opinion from an unrelated party stating that the acquisition is either exempt from or meets the 10-year placed-in-service rule requirement of IRC Section 42(d)(2)(B)(ii); OR
   - A letter from the appropriate federal official that states that the proposed project qualifies for a waiver under IRC Section 42(d)(6) if a waiver of the 10-year placed-in-service rule is necessary.

2. If any portion of the RHTC is used for acquisition, the Applicant must disclose all Related Parties and the proceeds from the sale to each Related Party. See Schedule H "Glossary" for the definition of Related Parties.

   Required Documentation: Place in Tab L

- An attorney's opinion that the acquisition meets the related party limitation
- Completed Related Party Form (Form N)

R. Rehabilitation Costs / Capital Needs Assessment

For applications proposing rehabilitation, the rehabilitation hard costs must exceed $20,000 per unit. However, if the Development is competing in the Preservation set-aside, the rehabilitation hard costs must exceed $30,000 per unit.

The costs of furniture and the construction of community buildings and common areas are not included in the minimum per unit amount. However, USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common areas in the minimum per unit amount.

Required Documentation: Place in Tab L

Applications for rehabilitation Developments must include a capital needs assessment performed by an independent, Indiana licensed, qualified architect or engineer in the format required in Schedule F. For 9% applications, this must be submitted at least 30 days prior to the application deadline. For 4%/bond applications, this may be submitted with the complete application.

Applications for adaptive reuse Developments are not required to include a capital needs assessment but must include a structural conditions report from an independent, Indiana licensed, qualified architect or engineer. For 9% applications, this must be submitted at least 30 days prior to the application deadline. For 4%/bond applications, this may be submitted with the complete application. The report must contain an assessment of any physical components that will be retained to verify their current condition and all necessary repairs.

S. Tenant Displacement and Relocation

The Applicant must provide a displacement and relocation plan if the Development will impact existing tenants.

Required Documentation: Place in Tab L

A detailed displacement and relocation plan that includes the following information:

- Any potential permanent, temporary, or economic displacement and relocation issues
- The number of current tenants to be relocated
- Where and for what length of time the tenants will be relocated during the rehabilitation
- How displacement will be minimized
- How relocation expenses will be paid, if applicable

- Relocation assistance plan (e.g. Who will get assistance? How much assistance will they receive? When and how will they receive their assistance? Who will provide advisory services to those displaced?)

- Anticipated relocation budget with itemized expenses. Note: Relocation expenses must also be listed in the development budget in Form A.

T. IRS Form 8821 Information Authorization

Upon request, the Applicant shall provide a completed IRS Form 8821 Tax Information Authorization for each Owner/General Partner. The form must be signed by an individual authorized to sign on behalf of the Owner.

Commented [RM9]: Note- Underwriting requirements used to be located here. Moved to Part 5.2 as a new subsection to be easier to find within the QAP.

U. Threshold Requirements for Supportive Housing

Applications competing in the Housing First set-aside must meet the following criteria:

- Applicant must successfully fulfill all requirements of the Indiana Supportive Housing Institute for the specific Development for which they are applying. 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
    - The project concept is aligned with Institute goals, including target population to be served and use of the Housing First model
    - CSH has reviewed and approved the proposed development, operating, and service budgets, tenant selection plan, operation plan, and supportive service plan. The Development Team must submit their draft budgets and plans to CSH 45-90 calendar days prior to the tax credit application submission deadline to allow time for review and comments.

- Applicant must enter into an MOU with CSH for ongoing technical assistance to be provided from completion of the 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 each MOU must be provided with the application.

- Applicant must identify all subsidy sources for project-based rental assistance and provide all funding commitments with the application. If the funding has not yet been committed, Applicant must provide proof of application, a narrative describing the selection process, and a narrative describing how the Development will move forward if the application is denied. If Applicant is applying for Project Based Vouchers through IHCDA, submit Form O.

Required Documentation: Place in Tab O

- CSH letter certifying completion of the Institute, review of applicable plans, and alignment with Institute goals and the Housing First model
- Copy of executed CSH MOU
- Copy of MOU with each applicable supportive service provider
- Documentation of commitment of subsidy sources for project-based rental assistance or narratives as described above
- If applicable, Form O to apply for IHCDA Project Based Vouchers

V. Irrevocable Waiver of Right to Request Qualified Contract Right

All Applicants must irrevocably waive their right to request early termination of the extended use agreement through the Qualified Contract process. Applicants may not request a waiver of this threshold requirement at the time of application, and IHCDA will not allow any early releases/exemptions from this requirement during the extended use period. All Developments receiving reservations under this Allocation Plan must meet the full 30-year extended use period obligation.

This waiver does not preclude the ability for ownership changes that maintain the affordability or for a request for a subsequent allocation of credits (i.e. resyndication) beyond Year 15.

Part 5.2|Underwriting Guidelines

Commented [RM10]: Underwriting was originally part of Part 5.1 general threshold requirements. Moved here as a new Part 5.2 to make it easier to find the underwriting requirements. The move is not tracked but changes to underwriting policy are tracked.

The following underwriting guidelines apply to all Applications.

IHCDA will consider underwriting outside of these guidelines if supporting documentation is provided in Tab M, except in the case of HUD-mandated Project Based Voucher (PBV) underwriting guidelines which cannot be waived. IHCDA will issue a technical correction if the Application does not include~~If~~ an explanation and supporting documentation to justify why the underwriting is outside of these guidelines.~~is not provided for being outside of the guidelines, a technical correction will be issued.~~ IHCDA will issue a separate technical correction for each item that is outside of the underwriting guidelines. Approval of underwriting from other financing institutions or funding sources ~~may~~ does not constitute acceptable supporting documentation.

A Development that depends on commercial income to meet the minimum underwriting guidelines will not be considered financially feasible.

A. Total Operating Expenses - IHCDA will consider the reasonableness of operating expenses for each Development. All Developments must be able to underwrite with minimum operating expenses of $4,500 per unit per year. The total operating expense calculation includes replacement reserve contributions but excludes debt service.

For Developments with Project Based Vouchers, cash flow (minus any acceptable reserve amounts) cannot exceed 10% of the total operating expenses. Cash flow is determined after ensuring all debt can be satisfied and is defined as total income to the project minus total expenses.

B. Management Fee – 5-7% of effective gross income (gross income for all units less vacancy rate).

# of Units	Maximum Management Fee Percentage
1 to 50 units	7%
51 to 100 units	6%
101 or more units	5%

C. Vacancy Rate – 6-8%, but not to exceed 7% for Developments with Project Based Vouchers.

Exception: Applications proposing affordable assisted living must use a vacancy rate of 10-12%

Commented [RM11]: This policy for AAL was previously released in RED Notice 20-48

D. Rental Income Growth – 0-2% per year

E. Operating Reserves – the greater of (1) minimum of four ~~to six~~ months of projected ~~operating~~ expenses~~, plus~~ including operating expenses, debt service payments, and ~~annual~~ replacement reserve payments~~,~~ or (2) $1,500 per unit ~~(whichever is greater)~~

F. Replacement Reserves must be included in the operating budget. Contributions must be made to the reserve account starting on or before the conversion date of the construction loan to permanent loan and must be funded for the term of the Extended Use Period.

Minimum contribution requirements are as follows:

- Rehabilitation: $350 per unit per year
- New Construction (age-restricted): $250 per unit per year
- New Construction (non-age-restricted): $300 per unit per year
- Single Family Units: $420 per unit per year
- Historic Rehabilitation: $420 per unit per year

If an Application proposes multiple construction types, the minimum contribution must be calculated based upon the unit mix. For example, if a proposed Development contains 30 age-restricted new construction units and 20 rehabilitation units, the calculation would be 30 units at $250 per unit per year and 20 units at $350 per unit per year.

Replacement Reserve funds must be used only for capital improvements (substantial improvements to the real estate such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings) and must **not** be used for general maintenance expenses (replacement of individual appliances or minor repairs). Less restrictive provisions allowed by lenders or other funders must be approved by IHCDA.

Replacement Reserve contributions must escalate at a rate of 3% per year.

For Applications proposing rehabilitation, IHCDA will review the capital needs assessment to determine whether sufficient reserves have been established.

G. Service Reserve- All Applications competing in the Housing First set-aside or requesting points under the integrated supportive housing scoring category must establish capitalized service reserves to ensure that supportive services will be provided to tenants throughout the Compliance Period. Service reserves are allowed, but not required, for Applications competing in the Community Integration set-aside.

The amount of the service reserve must be based on Development size and service budget. The Application must include a copy of the anticipated service budget and a narrative describing the methodology used to determine the size of the proposed service reserve. Place in Tab M.

IHCDA may issue additional guidance via a Real Estate Department Notice to set a more standardized requirement on the allowable size (minimum and maximum) of the capitalized service reserve to reflect reasonable and customary expenditures and industry best practices.

H. Operating Expense Growth – 1-3% per year

Operating expenses must escalate at a rate at least 1% higher than rental income growth.

I. Stabilized Debt Coverage Ratio

The debt coverage ratio (DCR) projection for a Development must not go below 1.10 during the 15-year Compliance Period to be considered financially viable. Maximum DCR is defined by development type, as listed below:

- Large and Small City Developments: 1.15 – 1.40
- Rural Developments: 1.15 – 1.50
- Developments with Project Based Vouchers: 1.10 – 1.45

IHCDA calculates DCR before payment of deferred developer fee.

IHCDA recognizes that some deals may have a higher DCR at the beginning of the Compliance Period to remain viable over the 15 years. Documentation to support a higher DCR must be provided. However, for developments with Project Based Vouchers, the DCR must be in the range stated above for all years.

Applications submitted without debt will not have a DCR but will be required to have sufficient cash flow. This will be determined by an expense ratio of Effective Gross Income to Total Annual Expenses (including replacement reserve contributions). An expense ratio of 1.10 shall be the minimum required in Years 1-15 to be considered viable.

J. Taxes and insurance

Required Documentation: Place in Tab M

Documentation or calculation of estimated property taxes and insurance for the proposed Development.

K. Federal Grants and Subsidies

~~Developments~~ Applications that include federal grants or subsidies structured as loans to the Development~~soft loans (i.e. funds loaned to the Development with repayment to be made from available cash flow)~~ must demonstrate a reasonable expectation that the loan will be repaid in full at maturity in order to remain in eligible basis. The amount of a federal grant that is not structured as a loan to the Development must be removed from eligible basis. ~~If the loan and any outstanding interest is not expected to be paid until the end of the Compliance Period, there must be reasonable expectation that the fair market value of the Development will be sufficient at that time to pay the accrued interest and debt and that the net income of the Development will be sufficient to sustain debt service.~~

Required Documentation: Completed Form A (Application). Place additional information in Tab G.

L. Basis Boost

Applications for Developments located in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA) are eligible to increase eligible basis by up to 30% to determine the maximum credit amount. See Appendix E for a complete listing of QCTs and DDAs.

IHCDA may provide a discretionary basis boost of up to 30% to determine the maximum credit amount for 9% RHTC Applications which meet at least one of the following criteria.

- The Development is in an area officially declared as a disaster area by the State of Indiana and will assist in providing affordable housing to people affected by the disaster.
- The Application is competing under the Community Integration set-aside, Preservation set-aside, Housing First set-aside, or is eligible for points under the Integrated Supportive Housing scoring category.
- The Application demonstrates extensive site preparation requirements and/or off-site costs. All such work and associated costs must be deemed reasonable based on the circumstances.
- The Development consists of demolition and new construction, rehabilitation of historic structures, and/or conversion of existing structures.
- The Applicant commits to rent levels that maximize total points under Section G.1, “Rents Charged” scoring category.

Developments will not qualify for an additional discretionary boost if they have already received the eligible basis boost for being in a QCT or DDA.

Required Documentation: Place in Tab A

- Applications for Developments located in a declared disaster area must include: (i) documentation that the Development is in an area that has been officially declared a disaster area by the Governor and (ii) a narrative description of how the proposed Development will help the area and the individuals affected by the disaster.

- All other Applications must include a narrative explanation justifying the need to increase the eligible basis.

Part 5.3|User Eligibility and Limitations

A. Development Limitations

The amount of 9% RHTC reserved for an allocation to any Development may not exceed $1,200,000.

For Applications requesting 4% RHTC and tax-exempt bond financing, the credit request may exceed $1,200,000 if the Development has sufficient eligible basis.

B. Developer Fee Limitations

- New Construction: Developer Fee for new construction Developments must be the lesser of the total per unit amount (excluding market rate units) listed below or $1,380,000. The maximum Developer Fee for Developments with tax-exempt bonds is 15% of eligible basis, but any amount over $2,500,000 must be deferred and paid out of cash flow.
    - $23,000 per unit for the first 20 tax credit units
    - $17,825 per unit for the next 35 tax credit units
    - $13,800 per unit for the next 35 tax credit units
    - $9,200 per unit for any tax credit unit above 90
- Rehabilitation or Adaptive Reuse: Developer Fee for rehabilitation and adaptive reuse Developments must be the lesser of the total per unit amount (excluding market rate units) listed below or $1,380,000. The maximum Developer Fee for Developments with tax-exempt bonds is 15% of eligible basis, but any amount over $2,500,000 must be deferred and paid out of cash flow.
    - $25,300 per unit for the first 20 tax credit units
    - $19,550 per unit for the next 35 tax credit units
    - $16,675 per unit for the for the next 35 tax credit units

- $9,200 per unit for any tax credit unit above 90

For 9% RHTC Developments with multiple construction types, each type must follow the limits above. For example, a Development with 20 units of new construction and 20 units of adaptive reuse would have a limit of $966,000 [($23,000 x 20) + ($25,300 x 20)].

NOTE: Consultant Fees, Guaranty Fees between related parties, or any similar fees, charges, or reimbursement for services customarily provided by an affordable housing developer or consultant will be considered separate fees. However, the sum of all these fees plus Developer Fee must be below the Developer Fee cap.

IHCDA will include deferred developer fee as a source of funding. No more than 60% of the Developer Fee may be deferred for 9% RHTC Developments and no more than 80% of the Developer Fee may be deferred for 4%/tax-exempt bond Developments.

To be included in eligible basis, deferred developer fee must be due and payable at a date certain. Fees may be paid as a cash flow loan if it can be demonstrated that the fee can and will be paid in a reasonable amount of time. Any deferred developer fee must be paid by the end of the 15-year Compliance Period to be included in basis. If fees are permanently contributed to the Development, they must be paid to the Developer and then contributed to the Development if the fees are to be included in eligible basis.

Required Documentation: Place in Tab M

- A statement (i) disclosing each entity/individual receiving a portion of the developer fee along with the percentage of the fee the entity/individual will receive and (ii) describing the terms of the deferred repayment obligation to the Development including any interest rate charged and the source of repayment
- Non-profit organizations must include a resolution from the Board of Directors allowing such a deferred payment and interest obligation to the Development.

At the time of final cost certification, the Applicant must submit a Deferred Developer Fee Agreement evidencing the principal amount and terms of interest and repayment of any deferred obligation.

C. Contractor Fee Limitations

Contractor fees shall be limited as follows:

Contractor Fees	**Contractor Fee % Limitations**
General Requirements	6% of Total Construction/Rehabilitation Cost
Builder’s Overhead	2% of Total Construction/Rehabilitation Cost

Builder's Profit	6% of Total Construction/Rehabilitation Cost
Total	**14% of Total Construction/Rehabilitation Cost**

IHCDA calculates the total contractor fee by taking the sum of General Requirements, Builder's Overhead, and Builder's Profit and then dividing by the sum of Site Work, New Building, Rehabilitation, and Accessory Building costs. Demolition hard costs and hard cost contingency are not part of the calculation.

IHCDA will permit savings in a particular contractor fee line item to offset overruns in other contractor fee line items provided that the total contractor fee does not exceed 14%.

D. Architect Fee Limitations

The architect fee, including design and supervision fees, must be limited to 4% of the total hard costs plus site work, general requirements, overhead, profit, and construction contingency.

Applicants that propose an architect fee exceeding 4% must follow a competitive negotiation procedure per the guidelines in Schedule H.

IHCDA may further reduce the Architect design fees when the same design has been used in previous developments.

Required Documentation: If following a competitive negotiation procedure, place description in Tab M.

E. Consultant Fee Limitations

Consultant fee is a separate fee but must be included in the developer fee cap. See Part 5.3B above.

F. Contingency Limitations

Hard cost contingency may not exceed the following limitations. This is calculated by taking the hard cost contingency (line c8 in the itemized costs in Form A) divided by new building or rehab costs plus the site work that is included in the construction contract (line c1). General requirements, contractor overhead, and contractor profit (lines c5 – c7) are not included in this calculation.

Development Type	Hard Cost Contingency Limitation
New Construction	5% of hard costs
Rehabilitation of existing housing	15% of hard costs
Historic rehabilitation or adaptive reuse	20% of hard costs

For Developments with multiple construction types, each type must follow the limits above.

Soft cost contingency may not exceed 3% of total soft costs for any construction type. This is calculated by taking the soft cost contingency (line h7 in the itemized costs in Form A) divided by the sum of

Commented [RM12]: Specific soft cost line item h7 will be added to the new Form A for 2022

Contractor Fees (lines 5-7 of section c) plus architect and engineering fees (section d) plus other soft costs (section h). Developer Fee is not included as a soft cost in this calculation.

G. Reasonableness of Project Costs

IHCDA may disallow any line item costs, square footage costs, or total unit costs deemed to be unreasonable. Additional information may be required to substantiate the reasonableness of the cost. Any allocation made will be determined using IHCDA's assessment of cost.

H. Related Party Fees

The Applicant, Owner, Developer, and Consultant must disclose all Related Party fees submitted within the budget. Fees may include, but are not limited to, developer fee, consultant fee, architect fee, guaranty fee, owner's representative fee, broker fee, document review fee, supervision fee, syndicator fee, engineer fee, attorney fee, accountant fee, management fee, and contractor fee. "Related Parties" is defined in Schedule H.

Applications without Related Party involvement must still sign and submit Form N.

Required Documentation: Complete Form N and place in Tab J.

Part 5.4|Minimum Development Standards

A. Minimum Equipment and Accessibility Requirements

In addition to meeting all new construction and rehabilitation standards required by IRC Section 42 and local and State building codes, each Development must meet the following criteria:

1) Each unit must provide a stove or, in the case of single room occupancy (SRO) units, access to a communal stove.
2) Each unit must provide fire suppressors above stoves/ranges.
3) All Developments must install both smoke and CO detectors or combination smoke and CO detectors in accordance with Indiana Building Codes and NFPA 72. Smoke detectors in all existing buildings and rehabilitations shall be installed in all locations as required by Indiana Building Code for new construction. The smoke detectors shall be ~~hard-wired with the primary power source, have battery back-up, and be~~ interconnected as required by Indiana Building Codes and NFPA 72 ~~for new construction. If the rehabilitation does not include removal of existing wall or ceiling finishes exposing the structure, and the wall, ceiling, and/or floor structures are not exposed, then battery operated smoke detectors shall be installed in all locations required by Indiana Codes for new construction **unless** there is access to ceiling areas through attics, and access to walls from crawl spaces or basements. Ceilings with attic areas and floors with crawl space/basement areas shall have smoke detectors installed in all locations, be hard-wired, have battery back-up, and interconnected, or smoke detectors that are interconnected remotely with 10-year batteries, per current Indiana Code requirements for new construction.~~
4) Owners must replace all smoke detectors within 10 years of installation, as per the requirements in NFPA 72.

5) At least 5% of the total units in rehabilitation/adaptive reuse projects or 6% of the total units in new construction projects must be accessible or adaptable, utilizing the International Code Council's Accessible and Usable Buildings and Facilities Standard Type A or Type B. All accessible and adaptable units must be labelled on the site plan and/or floor plans.
6) All common laundry facilities must have magnetic hold-open devices that will allow the fire doors to close upon activation of smoke/fire alarms.

B. Minimum Design Requirements

The following design requirements apply to all new construction and to rehabilitation if the items are proposed as part of the rehabilitation scope of work. NOTE: For rehabilitation, new components, systems, appliances, etc. that will be utilized in any unit must be utilized in every unit of the Development.

1) The use of low maintenance exterior building finishes including brick, stone, hardy board, fiber cement siding, or vinyl siding. If vinyl siding is used it must be at least Residential Grade (**.044"**) in thickness and carry a lifetime warranty.
2) All space heating/cooling systems must be sized using ACCA Manual J, GAMA H-22, or an accredited design professional's and manufacturer's recommendations.
3) Thermal insulated windows and entry doors with a minimum U-value of 0.35 or below
~~4) All buildings must have attic insulation of R-38 or better – New Construction and Rehabilitation. This standard does not apply to buildings entitled to claim Federal historic rehabilitation tax credits.~~
~~5)~~4)For all new construction building(s), energy efficiency must be demonstrated by meeting the minimum standards established by:
    i. LEED rating system;
    ii. Bronze Rating National Green Building Standard;
    iii. Enterprise Green Communities; or
    iv. Equivalent certifications that are accredited by the American National Standards Institute. Applicants wishing to use an alternative to those listed above must consult with IHCDA prior to submission.
~~6)~~5)Roofing with anti-fungal shingles and a minimum 30-year warranty
~~7)~~6)Buildings and units must be identified using clearly visible signage and/or numbers. Such signage must be well lit from dusk until dawn.
~~8)~~7)Exterior railings must be of heavy-duty steel, aluminum, composite, or wood materials capable of supporting vertical and horizontal loads per Indiana Code.
~~9)~~8)If clothes dryers are heated by combustible gasses, Excessive Flow Valves (EFVs) must be installed up-stream of the flexible gas line connectors.
~~10)~~9) Exterior stairways, landings, and approaches must be designed so that water will not accumulate on the walking surfaces.
~~11)~~10) All primary unit entry doors must have roof coverings at least three feet deep by five feet wide and contain a landing of the same minimum dimensions.

~~12)~~11) Fireplaces are prohibited in residential units.

~~13)~~12) Residential demising floors and walls separating units must be framed and insulated to prevent sound transmission of STC 50.

~~14)~~13) New cabinets must include dual slide tracks on drawers. Cabinet doors, stiles, and drawer fronts must be made with quality materials other than particle board.

~~15)~~14) Clothes dryer vent transition duct from flex to hard duct shall be made through recessed clothes dryer boxes.

~~16)~~15) Flammables, gasoline, and/or gasoline powered equipment must not be stored in the same structure housing residential units unless separated by a four-hour fire wall and the storage space must not be accessible from inside the residential structure. Exception: a two-hour fire wall may be sufficient if the storage facility is equipped with a fire sprinkler system compliant with NFPA13R.

~~17)~~16) All new construction developments must be built in accordance with the accessibility requirements of the Fair Housing Amendments Act of 1988. Rehabilitation developments must also meet the design and construction standards of the Fair Housing Amendments Act of 1988 if the first use of the building was after March 13, 1991. Section 100.205 of the United States Department of Housing and Urban Development (HUD) regulation at 24 CFR part 100 implements the Fair Housing Act's design and construction requirements. These specific design and construction standards can also be found in the appropriate requirements of the International Building Code (IBC) with the ICC A117.1 Accessible and Usable Building and Facilities, Fair Housing Accessibility Guidelines (FHAG), and in HUD's Fair Housing Act Design Manual.

~~18)~~17) If a Development will receive federal funds (including HUD funding), the Development must be designed and built in accordance with the accessibility requirements of Section 504. These specific design and construction standards can be found in the Uniform Federal Accessibility Standards (UFAS) and in 24 CFR Part 8.

~~19)~~18) For rehabilitation of buildings constructed of a masonry shell, all exterior walls must either (1) contain an air barrier between the masonry and partition walls with properly aligned thermal and pressure boundaries or (2) be coated with materials that prevent air movement while allowing vapor transmission to escape the interior of the buildings shells. Additionally, there must be a 1" air space between the masonry and air barrier on the partition walls that are within the building shell. This standard does not apply to buildings entitled to claim Federal historic rehabilitation tax credits.

~~20)~~19) Developments using fluorescent, high pressure sodium, mercury vapor, and/or metal halide lamps/lighting must implement a proper collection and recycling program. The owner must follow the EPA's Resource Conservation & Recovery Act for the proper disposal of the luminaires.

C. Accessibility Requirements for Age-Restricted Developments and Housing First set-aside:

The following accessibility requirements apply to all age-restricted (55+ or 62+) developments and to all supportive housing developments competing in the Housing First set-aside.

- For New Construction:
    - All common areas must be accessible.
    - 100% of the units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1.
    - Elevators must be installed for access to all units above the ground floor.
- For Rehabilitations & Adaptive Reuse without elevators:
    - All common areas on the main floor must be accessible.
    - 100% of the ground floor units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1
- For Rehabilitations & Adaptive Reuse with elevators:

  If the building(s) contained elevators/lifts prior to rehabilitation, the following requirements apply:
    - The elevators/lifts must be maintained.
    - All common areas must be accessible.
    - 100% of the units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1.

Required Documentation: Certification in Form A (Application)

D. Minimum Unit Sizes

The net square footage is the total livable space within the interior walls of the unit excluding garages, balconies, exterior storage, and common areas.

Minimum unit size by development type and number of bedrooms					
Development Type	Efficiency & 0-BR Units	1-BR units (minimum 1 bath required)	2-BR units (minimum 1 bath required)	3-BR units (minimum 1 ½ baths required for all new construction)	4+ BR units (minimum 2 baths required for all new construction)
New Construction (except assisted living or Housing First set-aside)	375 sq. ft.	675 sq. ft.	875 sq. ft.	1075 sq. ft.	1275 sq. ft.
Assisted Living,	350 sq. ft.	500 sq. ft.	680 sq. ft.	900 sq. ft.	1075 sq. ft.

Housing First set-aside, Adaptive Reuse, or Rehab/existing housing					

Required Documentation: Completed Form A (Application) and floor plans with exact total net square footages printed clearly. Place in Tab F.

E. Universal Design Features

- Applicants must adopt a minimum of four universal design features from ***each*** Universal Design Column. IHCDA encourages the adoption of universal design features best suited to the proposed Development.
- IHCDA will accept proposed universal design features that are not listed in the columns below if they are relevant and necessary to the Development. If submitting a universal design feature not listed below, the Applicant must clearly describe the additional feature, provide justification for the necessity of its inclusion, and provide justification for the proposed column classification. The acceptance and classification of universal design proposals will be made by IHCDA on a case-by-case basis.
- Column Classification of Universal Design Features:
  - Features in Column A are regarded as higher cost and/or higher burden of inclusion.
  - Features in Column B are regarded as moderate cost and/or moderate burden of inclusion.
  - Features in Column C are regarded as lower cost and/or lower burden of inclusion.

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~~ each unit* is on a circulation path from a public street or sidewalk, a dwelling unit driveway, or a garage. That circulation path must be a ramp or sloped walking surface. Changes in elevation must 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 (Age-restricted Developments 10% of the units; Non age-restricted Developments 5% of the units)	In kitchens, pull out shelves or Lazy Susan storage systems in base corner cabinets in each unit	Light switches located 48” maximum above the finished floor in each unit
Range/oven with controls located in a position that does not require reaching over burners in 10% of the units	All interior doors have a minimum clear width opening of 31¾”	Rocker or touch sensitive lighting controls in each unit
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	Mirrors over bathroom sinks have the reflecting surface 40” maximum above the floor or tilt to provide a similar view in each unit
Toilets 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 sinks in each unit

An accessible route from the garage into the dwelling in 10% of the units with attached private garages	One of the following in one bathroom in each unit: 1. Adjustable height showerhead that allows for a showerhead to be located below 48” above the tub or shower floor 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 Section 406.13	Remote control heating and cooling in each unit	Signage identifying unit numbers includes visual characters, raised characters, and braille
Side-by-side refrigerators in each unit	In the kitchen in each unit, a 30” x 48” clear floor space adjacent to the sink, dishwasher, cooktop, oven, refrigerator/freezer, and trash compactor	Remote controls or motion sensor controls for room lighting in each unit
Automatic garage door openers on all overhead garage doors	At least one section of the counter or a pull-out surface in each unit provides 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
Kitchen sink and 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 unit	Pulls on drawers and cabinet doors in each unit
Motion detector controls for the outside lights on at least one entrance ~~in~~ to each unit	Kitchen and bathroom countertops with a visual contrast at the front edge of the counter or between the counter and the cabinet in each unit	At least one garden area raised to a minimum of 15” above the adjacent grade
Removable base cabinets at the	A 30” x 48” clear floor space in	10 fc lighting for at least one

kitchen sink, one kitchen work surface, and at least one bathroom sink in accordance with ICC A117.1 Sections 1003.12.3.1, 1003.12.4.1 and 1003.11.2 in all ground floor units	each bathroom. If the bathroom doors swing in, the clear floor space must be beyond the swing of the door.	work surface in each unit
Pull out shelving for all standard base kitchen 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
Roll-in shower in at least one bathroom in each unit in accordance with ICC A117.1 Section 608.2.2 or 608.2.3	~~Two handrails installed on a stairway, while maintaining the minimum stairway width requirement~~	Adjustable height closet rods or a portion of each closet with two clothes rods at different heights in each unit
In 10% of the units, cook top with toe & knee clearance 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 adjacent to toilets, bathtubs, or showers, provide blocking for future installation of grab bars in each unit in accordance with ICC A117.1 Section 1004.11.1	Sliding or bi-fold closet doors for reach-in closets in each unit
Dishwasher with all operable parts and shelving between 15" and 48" above the flooring in 10% of the units	Kitchen sink with a pullout faucet instead of side mount sprayer in each unit	Levered hardware on all doors intended for passage in each unit
A shower with a fixed or fold down seat or a bathtub with a seat in at least one bathroom in 10% of the units	Means of identifying visitors without opening the door in each unit in accordance with ICC A117.1 Section 1006.5.2	Electrical outlets raised a minimum of 15" above the finished floor in each unit. Dedicated outlets and floor outlets are not required to meet this standard.
Grab bars installed at	Significant color contrast between	Lighted doorbell at the primary

tub/shower in 10% of the units (one bathroom only for two-bathroom units)	floor surfaces and trim in each unit	entrance to each unit in accordance with ICC A117.1 Section 1006.5.1
Remote controlled drapery, blinds, and/or curtains in 5% of the units	Visual contrast between stair risers and stair treads in each unit that contains a stairway	Countertop sinks with basin located as close to the front edge as possible in 10% of the units
Slip resistant flooring or carpet in each unit complying with ICC A117.1 Section 302.2	Handrails installed in all common area corridors	Self-closing drawers in kitchen cabinets in each unit
At least one bedroom on an accessible level in each multi-story unit	Cordless window blinds on every window in each unit	Mailboxes located between 24-48" above grade
Chair lift, platform lift, or private residence elevator in a multi-story unit		Toilets with seat height of 17-19" in each unit
ADA push plates at exterior entrances		
ADA push plates at all common area bathrooms		

Required Documentation: Completed Form A (Application)

F. Smart Use Training

Smart Use Training must be provided to onsite property management and maintenance staff and tenants during the Compliance and Extended Use Periods. Training and manuals should be separate (i.e. one manual for staff and one for tenants) and oriented toward the end user.

Required Documentation: Completed Form A (Application). The Smart Use Training curriculum for both onsite staff and tenants and documentation demonstrating participation by all onsite staff and tenants must be available for review at all times.

G. Visitability Mandate

Any Development involving new construction of single-family homes, duplexes, triplexes, or townhomes must meet the visitability mandate.

Visitability is defined as design that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. Visitability features include, but are not limited to, zero-step entrances, proper door width, and an accessible bathroom on the main level. Visitable units must comply with the Type C unit criteria in ICC A117.1 Section 1005.

Required Documentation: Completed Form A (Application)

H. Threshold Requirements for Affordable Assisted Living

Developers and management companies of affordable assisted living must follow the Indiana Division of Aging's "Aging Rule" for providers of home and community-based services. See Indiana Code 12-10-15 and Indiana Administrative Code 455IAC2.

Required Documentation: Completed Form A (Application)

Part 5.5|Special Needs Housing

All Developments must commit to setting aside 10% of the total units for occupancy by qualified tenants who meet the definition of "special needs populations" pursuant to Indiana Code 5-20-1-4.5. Special needs populations include the following:

- Persons with physical or developmental disabilities
- Persons with mental impairments
- Single parent households
- Survivors of domestic violence
- Abused children
- Persons with chemical addictions
- Persons experiencing homelessness
- The elderly

Additional information on this requirement can be found in Section 5 of IHCDA's *Rental Housing Tax Credit Compliance Manual*.

Required Documentation: Completed Form A. Completed and executed Form K must be submitted with the project's request for the issuance of Form 8609.

Part 5.6|Waiver Requests

IHCDA, in its sole discretion, will consider a waiver request from any Applicant, Owner, and/or Developer regarding any IHCDA Threshold Requirements including Underwriting Guidelines, User Eligibility and Limitations, and Minimum Development Standards except for those listed below. IHCDA must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include the following:

- The specific Threshold Requirement for which the Development is requesting a waiver
- A detailed description as to why the Development cannot meet the Threshold Requirement
- Any additional pertinent information
- Payment of the $500 waiver request fee for each Threshold Requirement requested to be waived

IHCDA will provide a written response to the request.

IHCDA will not grant waivers for set-aside requirements, scoring, or the following Threshold Requirements:

- Maximum credit request (Part 5.3A)
- Prohibition on submitting a third application prior to issuance of Form 8609 in Indiana (Part 5.1F)
- Requirement to waive the right to request release of the extended use agreement through Qualified Contract (Part 5.1V)

Part 5.7 | Technical Corrections and Application Disqualification

Applications that do not pass threshold on initial review due to technical errors or incomplete information will be provided an opportunity to submit additional information or clarifications through the following technical correction process:

1) IHCDA will send a letter to the Applicant specifying all items which failed threshold review.

2) The Applicant will be allowed 14 calendar days (the "Technical Correction Period") to provide additional information or clarifications to IHCDA per the instructions provided in the technical correction letter. The Applicant must submit a $500 resubmission fee for each technical correction. An Applicant will not be allowed to submit additional documentation during the Technical Correction Period to gain points in any scoring category.

3) IHCDA may overturn its assessment of a technical error if it is determined that the necessary documents were in fact included in the initial application submission or if the Applicant's response proves there was no deficiency. IHCDA will determine if the additional documentation submitted during the Technical Correction Period is sufficient for the application to pass threshold.

This correction process will apply to deficiencies identified in supplemental applications for HOME, Development Fund, Housing Trust Fund, or any other IHCDA gap funding source. The Applicant will be required to submit the resubmission fee of $500 per correction. Issues specifically related to a supplemental application will not count as technical corrections for purposes of disqualification or determining technical correction bonus points, with the following exceptions:

- Failure to submit the supplemental application fee will be considered a technical correction.

Commented [RM13]: Moved here and gave a header. Not a change in policy, just relocated here from earlier in QAP.

Commented [RM14]: Moved here from the scoring section and clarified some language.

- Failure to submit the Development Fund historic review items per Section 5.1 L of the QAP will be considered a technical correction.

Applications ~~for 9% credits~~ with five or more Technical Corrections will fail threshold and be removed from consideration. Applicants who fail to respond to Technical Corrections by the set deadline will be automatically disqualified from further consideration.

- Applications for 9% credits may be resubmitted in the next funding round.
- Applications for 4% credits/tax-exempt bonds may be resubmitted after 60 days by submitting a new complete application, including applicable fees.

~~**Part 5.7|Affordable Housing Database**~~

~~All Applicants that receive an allocation of credits must list their property in the Affordable Housing Database at www.indianahousingnow.org.~~

~~**Part 5.8|Indiana Housing Online Management System - https://ihcdaonline.com/**~~

~~All IHCDA assisted rental Developments are required to enter tenant events using IHCDA's Indiana Housing Online Management rental reporting system within 30 days of the tenant's event date. Tenant events include move-ins, move-outs, annual recertifications, unit transfers, rent and utility allowance changes, and student status updates. Annual Owner Certification Rental Reports must be submitted electronically using the Indiana Housing Online Management System.~~

Commented [RM15]: Moved to Part 7.13 and rewrote as a new part about Ongoing Compliance and Reporting. Did not belong in threshold section.

Section 6 - Scoring Criteria

An Application that satisfies all applicable threshold requirements will be evaluated based on the scoring criteria defined in this Section.

Scoring Section	Total Number of Eligible Points
1. Rents Charged	16 Points
2. Development Characteristics	63 Points
3. Sustainable Development Characteristics	14 Points
4. Financing & Market	~~20~~ 18 Points
5. Other	~~35~~ 33 Points
Total Number of Points Possible	~~148~~ 144 Points

Applicants seeking a 9% RHTC allocation must score 80 or more points to meet threshold. Applicants seeking 4% RHTC and tax-exempt bonds must meet a minimum score established by IHCDA on a case-by-case basis (in no case lower than 40 points).

To qualify for points, all required documentation (e.g. certifications, letters, etc.) must be issued/dated within six months prior to the application deadline.

If two or more applications receive an equal total score and there are insufficient credits for both, the following tie breakers will be used to determine which receives a reservation:

- 1st Tie Breaker: priority will be given to the development located in a community that has not received tax credits within the past three years.
- 2nd Tie Breaker: if a tie still remains, priority will be given to the development with the lowest average rent restriction across all units.
- 3rd Tie Breaker: if a tie still remains, priority will be given to the development that requests the lowest number of tax credits per unit.
- 4th Tie Breaker: if a tie still remains, priority will be given to the development that competes under the highest number of set-asides.

Part 6.1 | Rents Charged

All Developments must meet the minimum set-aside requirement for Section 42 through the election of the 40/60, 20/50, or Average Income minimum set-aside. If the proposed Development is the rehabilitation of an existing tax credit project, IHCDA will not allow a change to the minimum set-aside election currently applicable to the project.

~~If the Development intends to charge rents lower than the maximum allowable for the area median income (AMI) required by Section 42 of the Code and maintain rents for units at a level not to exceed the maximums as published in Appendix A and B, points will be awarded as follows:~~

An Application will receive points as follows if the Applicant commits to lower rent targeting.

Points	% of units at or below 30% AMI Rent	TOTAL % of units at or below 50% AMI Rent (including units at or below 30%)
16	25%	50%
12	25%	40%
8	25%	25%
4	Less than 25%	33.33%

IHCDA will award: (i) 16 points for Developments with at least 50% of total units at or below 50% AMI Rents with at least 25% of total units at or below 30% AMI Rents, or; (ii) 12 points for developments with at least 40% of total units at or below 50% AMI Rents with at least 25% of total units at or below 30% AMI Rents, or; (iii) 8 points for developments with fewer than 40% of total units at or below 50% AMI Rents with at least 25% of total units at or below 30% AMI Rents, or; (iv) 4 points for developments with at least 33.33% of units at or below 50% AMI Rents, but less than 25% of total units at or below 30% AMI Rents.

~~Developments competing in the Work Force Housing set-aside must utilize income averaging.~~

~~For Developments competing in the Community Integration set-aside, units reserved for the target population of persons with intellectual or developmental disabilities must be rent restricted at or below 30% rents .~~

IHCDA encourages owners to distribute low-income units evenly among buildings in a mixed-income, multiple building Development.

Note: Per Section 42(g)(7), scattered site Developments may not contain market rate units.

Maximum Number of Points	**16**

Part 6.2 | Development Characteristics

A. Development Amenities

An Application will receive up to six points for selecting amenities from the charts below:

- Two points for selecting ten or more amenities from Chart 1, with a minimum of two amenities from each column
- Two points for selecting five or more amenities from Chart 2, with a minimum of two amenities from each column
- Two points for selecting three or more amenities from Chart 3, with a minimum of one amenity from each column

All amenities selected by the Applicant should conform to the needs of the Development and its residents. Development amenities will be viewed as interchangeable within a column, provided the total number of amenities selected in each column remains the same.

NOTE: Specific requirements may apply for each amenity (See definitions in Appendix G).

Chart 1: Common Area Total of 10 Amenities		
A	**B**	**C**
Tenant Entertainment: Minimum of 2 Amenities	**Common Area Convenience Minimum of 2 Amenities**	**Common Area Architectural Minimum of 2 Amenities**
1. Playground	1. One parking spot per unit	1. Multiple building designs
2. Bike racks or bike storage lockers	2. Designated car wash facility	2. Multiple floor plans
3. Designated garden area	3. Garage for each unit	3. Steel frame
4. Fenced dog walking area	4. Carport for each unit	4. Architectural roofing shingles
5. Community room	5. Enclosed bus stop shelter	5. 100% brick, stone, or cement board exterior
6. Television in common area	6. Comfort conditioned common areas	6. Metal roof covering
7. Designated walking/jogging path	7. Daycare center	7. Slate roof covering
8. Billiards table	8. Beauty salon/barber shop	8. Soundproof unit separation assemblies
9. Basketball court	9. Laundry facility	
10. Fenced-in tennis court	10. Onsite property manager	
11. Gazebo	11. Onsite recycling service	
12. Picnic area with permanent grill		
13. Sand volleyball court		
14. Computer center		
15. Exercise room		
16. Theater room		

Chart 2: Apartment Unit Total of 5 Amenities

A	B
Unit Interior Architectural: Minimum of 2 Amenities	**Unit Convenience: Minimum of 2 Amenities**
1. Window blinds or curtains	1. Garbage disposal
2. Hardwood or tile floors	2. Doorbells
3. Individual porch/patio/balcony	3. Cable hook-ups
4. Walk-in closets or closets with high and low closet organizers	4. Motion detector lights for each unit
5. External individual attached storage	5. LED lighting
6. Pressure relief vents for all bedrooms, unless all bedrooms contain return air vents	6. Clothes washer and dryer
7. Kitchen pantry	7. Built-in dishwasher
8. At least 5% of the units have 3 bedrooms	8. Ceiling fan
9. At least 5% of the units have 4 or more bedrooms	9. Charging outlets with USB ports
10. Attached garage	10. Microhoods or microwaves provided in all units
11. Ceiling lights in each bedroom	11. Sliding barn doors for all interior doors
12. Coat or linen closet	
13. Kitchen cabinets with pull shelves in lower cabinets and lazy-susans in corner cabinets	

Chart 3: Safety & Security Total of 3 Amenities	
A	**B**
Security: Minimum of 1 Amenity	**Life Safety Minimum of 1 Amenity**
1. Restricted access to property/gated community	1. Emergency pull cord/call button
2. Security cameras at all entrances	2. Fire extinguishers
3. Site/parking area lighting	3. Fire sprinkler system (only if not required by code; see definition in Appendix G)
4. Security cameras at onsite bus stops	4. Documented fire extinguisher training for tenants conducted by a firefighting professional
5. Intercom / call system	5. Kitchen fire blanket
6. Peep holes on exterior doors	6. Emergency escape ladders
7. Keyless door locks (ex: proximity sensor or fingerprint scanner)	7. Tenant fire safety education/training
8. Bump-proof entry door locks	8. Posted speed limit & "Caution Children Playing" signs
9. Steel entry doors & frames	9. Fenced-in retaining ponds
10. Security alarm (doors)	10. Emergency lighting
11. Security alarm (windows)	11. Showers with a minimum area of 9 ft^2
12. LED wall pack lighting on each building	

Required Documentation: Completed Form A (Application)

Maximum Number of Points	**6**

B. Accessible or Adaptable Units

IHCDA encourages the inclusion of additional accessible and adaptable units. Applicants exceeding the minimum threshold requirements (5% of total units in rehabilitation/adaptive reuse projects, 6% of total units in new construction projects, or the requirements of Section 5.4C for age-restricted or Housing First set-aside development) will receive additional points.

The terms accessible and adaptable are defined as follows:

- An accessible unit is a "Type A" unit per the International Code Council's Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1002).
- An adaptable unit is a "Type B" unit per the International Code Council's Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1003).

Points will be awarded as follows:

Accessible and Adaptable Unit Points					
		~~1 Point~~	1~~2~~ Point~~s~~	3 Points	5 Points
Non-Age-Restricted Developments Percentages below are the percentage of total proposed units classified as accessible or adaptable.					
Rehab/Adaptive Reuse		~~6.0 - 6.9%~~	7.0 - 7.9%	8.0 - 8.9%	9.0% or greater
New Construction		~~7.0 - 7.9%~~	8.0 - 8.9%	9.0 - 9.9%	10.0% or greater
Age-Restricted Developments or Housing First Set-aside Percentages below are the percentage of total proposed units classified as accessible or adaptable.					
Rehab/Adaptive Reuse (without existing elevator)		~~7.0 - 7.9%~~	8.0 - 8.9%	9.0 - 9.9%	10.0% or greater
New Construction or Rehab/Adaptive Reuse (with existing elevator)					100%

Percentage of accessible and adaptable units is calculated as follows:

$$\frac{\textit{Total Accessible and Adaptable Units in Proposed Development}}{\textit{Total Units in Proposed Development}} = \%$$

Requirement for Developments of 16 units or less: Applicants proposing Developments of 16 units or less must include at least two accessible or adaptable units to be eligible for points.

Maximum Number of Points 5

C. Universal Design Features

Applicants are encouraged to adopt universal design features beyond the minimum threshold requirement. Applications will receive points as follows:

- Three points will be awarded to Applications proposing to adopt a minimum of 8 universal design features from ***each*** Universal Design Column.
- Four points will be awarded to Applications proposing to adopt a minimum of 9 universal design features from ***each*** Universal Design Column.
- Five points will be awarded to Applications proposing to adopt a minimum of 10 universal design features from ***each*** Universal Design Column.

Refer to the Section 5.3E for a list of universal design options.

Required Documentation: Completed Form A (Application)

Maximum Number of Points	5

D. Vacant Structure

An Application will receive points if the proposed Development converts space in a vacant structure(s) into rental housing or a portion for commercial use. The structure(s) must be 100% vacant at the time of application submission. Points will be awarded based on the percentage of the structure that is converted to affordable housing, commercial space, and/or common areas as follows:

50% of the structure's square footage	2 points
75% of the structure's square footage	4 points
100% of the structure's square footage	6 points

If any space in the existing structure will be used for a purpose other than housing, the Applicant must state the intended use. Eligible structures must contain at least one rental housing tax credit unit.

For projects comprised of multi-story buildings, all floors under the ownership of the tax credit development will constitute the development total square footage.

*NOTE: Applications eligible for points in this category are NOT also eligible for points under scoring category F. Preservation or G. Infill New Construction.

Required Documentation: Completed Form A (Application). Certification of vacancy must be included in either the capital needs assessment or the structural conditions report.

Maximum Number of Points	**6**

E. Development is Historic in Nature

1). An Application will receive two points if at least 50% of the total units are in a building that meets one of the classifications below:

- A building that is individually listed on the National Register of Historic Places
- A building that is classified as a contributing resource to a district that is listed on the National Register of Historic Places
- A building that is individually listed on the Indiana Register of Historic Sites and Structures
- A building that is classified as a contributing resource to a district that is listed on the Indiana Register of Historic Sites and Structures
- A building that has received a local landmark designation through an ordinance by a local historic preservation commission
- A building that is classified as a contributing resource to a district that received a local landmark designation through an ordinance by a local historic preservation commission
- A building not already listed on the National Register of Historic Places but with an approved Part 1 application for Federal Historic Tax Credits and a recommendation for approval by the Indiana Department of National Resources Division of Historic Preservation and Archaeology

An Application can receive a maximum of two points in this scoring category. For example, a building individually listed on the Register and contributing to a district listed on the Register will not receive extra points for meeting two classifications above.

Required Documentation: Evidence for meeting one of the above classifications must be provided in Tab P.

- For a building individually listed on the National Register of Historic Places, provide a PDF printout from the National Park Service's searchable online database verifying the building is listed on the Register.

- For a building that is a contributing resource to a district listed on the National Register of Historic Places, provide a PDF printout from the National Park Service's searchable online database verifying the building contributes to a district that is listed on the Register.
- For a building individually listed on the ~~Indiana Division of Historic Preservation and Archaeology~~Indiana Register of Historic Sites and Structures, provide a PDF printout from the Indiana Department of Natural Resources' Indiana State Historic Architectural and Archaeological Research Database (SHAARD) ~~searchable online database~~ verifying the building is listed on the State Register.
- For a building that is a contributing resource to a district listed on the Indiana ~~Division of Historic Preservation and Archaeology~~Register of Historic Sites and Structures, provide a PDF printout from the Indiana Department of Natural Resources' Indiana State Historic Architectural and Archaeological Research Database (SHAARD) ~~searchable online database~~ verifying the building contributes to a district that is listed on the State Register.
- For a building designated as a local landmark, provide a copy of the local designation ordinance passed by the local historic preservation commission or board of a Certified Local Government as designated by the Indiana Division of Historic Preservation and Archaeology.
- For a building that is a contributing resource to a district designated as a local landmark, provide (1) a copy of a local designation ordinance passed by the local historic preservation commission or board of a Certified Local Government as designated by the Indiana Division of Historic Preservation and Archaeology and (2) a copy of the district map from the nomination clearly identifying the property as a contributing structure or a letter from the Indiana Division of Historic Preservation and Archaeology or local historic preservation commission stating that the property is contributing to the district.
- For buildings not listed on the National Register but with an approved Part 1 application, provide a copy of the historic application and the approved Part 1 application signed by the Indiana Department of National Resources Division of Historic Preservation and Archaeology.

Documentation from a county interim report or a sites and structures survey is not sufficient documentation of historic designation status and will not be accepted.

2) An Application that will utilize Federal or State historic tax credits on the residential portion of the building and that has received a preliminary acceptance of a Part 2 application will receive an additional one point.

Required Documentation: Submit the preliminary acceptance of the Part 2 historic tax credit application by the Indiana Department of Natural Resources Division of Historic Preservation and Archaeology or from the National Park Service's National Register of Historic Places. Place in Tab P.

Maximum Number of Points	**3**

F. Preservation of Existing Affordable Housing

An Application will receive up to six points for preserving existing affordable housing as follows:

*NOTE: Applications eligible for points in this category are NOT also eligible for points under scoring category D. vacant structure or G. infill/new construction.

a. Six points will be awarded for an Application that proposes the preservation of an existing Rental Housing Tax Credit project where the 15-year Compliance Period has expired or will expire in the current calendar year. The extended use agreement must still be in effect. IHCDA will not allow a change to the minimum set-aside election currently applicable to the project or release the current recorded extended use agreement.

   Required Documentation: Submit in Tab P. A statement from the Applicant that includes the following information:

   - The Building Identification Number (BIN) for each building in the project
   - The address of each building in the project
   - ~~The name(s) of the Development during the Compliance Period~~

   OR

b. Six points will be awarded for an application that proposes the preservation of HUD or USDA affordable housing, including but not limited to Project Based Section 8, public housing, or Rural Development 515 properties.

   Required Documentation: Submit in Tab P. Third-party documentation from the entity enforcing affordable housing restrictions evidencing the rent and income limits applicable to such property and the term of such restrictions.

   OR

c. Four points will be awarded for an application that proposes the preservation of any other affordable housing project.

   Required Documentation: Submit in Tab P. Third-party documentation from the entity enforcing affordable housing restrictions evidencing the rent and income limits applicable to such property and the term of such restrictions.

Maximum Number of Points	6

G. Infill New Construction

An Application will receive six points for meeting the criteria for infill new construction. Infill new construction is defined as developing vacant or underused parcels of land within existing areas that are already largely developed or previously developed. This category includes demolition and new construction projects that meet the attributes below.

The proposed Development must meet each of the following infill attributes:

- The site must be surrounded on at least two sides by adjacent established development. Parks and green space may qualify as established development if they are part of a master plan or covered by a recorded instrument. IHCDA will look at the entire development site for phased developments.
- At least one side of the site must be adjacent to occupied residential development, operating commercial development, active public space, or another active community activity.
- The site must maximize the use of existing utilities and infrastructure.
- For Developments with multiple buildings, at least 50% of the total units must qualify as infill.

The following activities will **not** qualify as infill new construction:

- Development on existing agricultural land
- Development on land most recently used for agriculture if that use was within the last five years
- Rehabilitation of existing structures

NOTE: Applications eligible for points in this category are NOT also eligible for points under scoring category D. vacant structure or F. preservation of existing affordable housing.

Required Documentation: Submit in Tab P.

- Aerial photos of the proposed site
- If qualifying adjacent site is an established park or green space, documentation of such must be submitted in the application
- Documentation of zoning classification over the past five years and any special uses granted or restricted during the past five years

Maximum Number of Points	**6**

H. ~~Promotes Neighborhood Stabilization~~Foreclosed, Abandoned, and Disaster-Affected Properties

An Application will receive four points if the proposed Development ~~assists in the stabilization of a neighborhood by~~ demolishes~~ing~~ or redevelops~~ing~~ buildings on property that has been foreclosed, abandoned, or affected by a disaster~~, or that is considered greyfield redevelopment~~. At least 50% of the total project units must qualify to receive points in this category.

I. A property will be considered foreclosed upon at the point that the mortgage or tax foreclosure is complete. The title for the property must be transferred from the most recent property owner under a foreclosure proceeding or transfer in lieu of foreclosure in accordance with state or local law.

Properties that were acquired for redevelopment purposes by a government entity or community organization that were foreclosed when acquired will be considered eligible properties.

OR

II. A property will be considered abandoned when mortgage or tax foreclosure proceedings have been initiated for the property, no mortgage or tax payments have been made by the property owner for at least 90 days, and the property has been vacant for at least 90 days.

Properties that were acquired for redevelopment purposes by a government entity or community organization that were abandoned when acquired will be considered eligible properties.

OR

III. A property that was affected by a disaster, such as a fire, flood, or severe storm, within five years of the application deadline will be considered an eligible property.

~~**OR**~~

~~IV. A property will be considered "greyfield redevelopment" if it was a previously developed retail center that suffers from a lack of reinvestment due to abandonment of tenants, but that has underlying utilities and paved infrastructure that allow a developer to more efficiently improve the site. To qualify as greyfield, the site must meet all of the following criteria:~~

- ~~Must be at least 90% vacant;~~

- ~~At least 25% of the site must be comprised of paved infrastructure / parking area;~~
- ~~Eligible retail centers are old shopping centers, strip malls, or businesses that are no longer operating and leave vacant shells; and~~
- ~~Site must have underlying utilities.~~

~~Roads, driveways, entry access, and public rights of way do not qualify as greyfield.~~

Required Documentation: Submit applicable documentation in Tab P:

i. If foreclosed, copy of applicable foreclosure documents
ii. If abandoned, evidence from the mortgage lender and/or tax authority that payments have been delinquent for at least 90 days and that foreclosure proceedings have been initiated
iii. If affected by a disaster, documentation from a third-party confirming the event, the date of the event, and impact on the site. The appropriate authority must have condemned or deemed the site unsafe for occupancy as a result of the disaster.
iv. ~~If greyfield, an engineer or architect's assessment that the site is at least 90% vacant, that the site consists of at least 25% paved infrastructure, that the site was formerly an eligible retail center, and that the site has underlying utilities.~~

Maximum Number of Points	**4**

I. Community Revitalization Plan

An Application will receive up to four points if there is an adopted community revitalization plan that clearly targets the neighborhood in which the Development will be located. A community revitalization plan may include, but is not limited to, a comprehensive plan, downtown master plan, neighborhood plan, or economic development plan.

The Applicant may only submit one community revitalization plan per community. If more than one plan is submitted for the same community, the Application is not eligible for points in this category.

The submitted plan must meet all the following criteria:

i. Be dated or most recently updated/amended within 15 years prior to the application deadline date
ii. Include a map clearly identifying the target area that includes the proposed project site
iii. Outline detailed policy goals which include the rehabilitation or production of rental housing

iv. Include implementation measures for the achievement of such goals and housing activities
v. Include an assessment of the existing conditions of the community

The following are not eligible:

i. Short-term work plans, including Stellar Strategic Investment Plans
ii. Consolidated plans, municipal zoning plans, or land use plans
iii. Plans that do not reflect the current neighborhood conditions
iv. Planned Unit Developments (PUDs)

For scattered site projects, if each community does not have a qualifying plan, points will be determined by the percentage of units covered by a qualifying plan.

Required Documentation: Submit all documentation in Tab P:
- Documentation of the process used to develop and adopt the plan
- Details regarding community input and public meetings held during the creation of the plan
- A copy of the entire plan
- A map of the area targeted by the plan identifying the location of the project
- A narrative listing the location and page number of all required items within the plan

Maximum Number of Points	**4**

Bonus point for LUG adoption: The Application will receive one additional point if the plan has been adopted or certified by a local unit of government and meets all requirements above. For scattered site projects, all units must be covered by an eligible plan and each plan must be adopted or certified.

Bonus point for QCT: Per Section 42(m) and IRS Notice 16-77, allocating agencies must give preference to a proposed development located within a Qualified Census Tract (QCT) if that development is part of a concerted community revitalization plan. Therefore, an Application will receive one additional point if the plan meets all of the requirements above, has been adopted or certified by a local unit of government, and the site is located within a QCT. If the plan does not meet the requirements above or has not been adopted or certified, then the bonus QCT point will not be awarded. To be considered a development located within a QCT, at least 50% of the total units must be located within a QCT.

Required Documentation: Submit in Tab P:
- Documentation of the process used by the local unit of government to adopt or certify the plan
- Proof of adoption or certification of the plan

Maximum Number of Points	2

J. Federally Assisted Revitalization Award

The Application will receive up to four points if the proposed Development is a phase or component of one of the following initiatives:

1. HUD's Choice Neighborhoods program
2. HUD designated Promise Zone
    i. Four points if the Applicant has a Certification of Consistency with Promise Zone Goals signed by the Promise Zone lead entity; or
    ii. Two points if the Applicant does not have a Certification of Consistency
3. New Market Tax Credit Development
4. IHCDA's Blight Elimination Program (BEP) or the Indiana Office of Community & Rural Affairs (OCRA) Blight Clearance Program (BCP)
    i. Four points if at least 50% of the proposed units or square footage will be located on sites assisted through the program; or
    ii. Two points if at least 25% of the proposed units or square footage will be located on sites assisted through the program
5. A similar federal program that demonstrates the following components (Rental Assistance Demonstration (RAD), HOME, and CDBG do not qualify):
    i. The program must target the de-concentration of poverty
    ii. The Development must be part of a mixed income or mixed use phased community with a significant market component
    iii. The Development must provide for community improvements or amenities, which may include but are not limited to, new or improved public infrastructure, green-space, improved transportation, or quality of life enhancements.

Required Documentation: Submit all documentation in Tab P.

- A copy of the grant/award agreement identifying the entity receiving the grant, the amount of the grant, and any time limits for use of the grant
- A letter from the Executive Director of the identified entity certifying that:
    - The housing units are an essential element of that Plan; and

- The Tax Credits for the development proposed in the application are an essential component of the financing plan for the grant.

- For BEP or BCP awards, evidence that the City has received the award and that the proposed sites were assisted through the program
- For Promise Zone (to receive four points), a copy of the Certification of Consistency with Promise Zone Goals

Maximum Number of Points 4

K. Offsite Improvement, Amenity, and Facility Investment

An Application will receive four points if an investment of resources will result in offsite infrastructure improvements or the development of parks, green space, shared amenities, or recreational facilities within a ¼ mile radius of the proposed project site.

- The proposed improvements, amenities, or facilities must be completed prior to the proposed placed in service date for the project, but no more than two years before the application deadline (or submission date for a 4%/bond application).

- The sources and uses of funding associated with the improvements, amenities, or facilities must not be part of sources and uses of the Development. If the Development cannot move forward without the improvements, the improvements will not qualify for points.

- Improvements must be outside the footprint of the building and outside the boundaries of the Development site.

- For scattered site projects, each site must have improvements within a ¼ mile radius.

Qualifying improvements, amenities, and facilities include, but are not limited to:

- Reconstruction of existing roads and streetscapes
- Reconstruction of vacant or blighted land with new infrastructure that promotes comprehensive revitalization such as new residential blocks and streets
- Development of parks, green space, or walking trails
- Development of community centers or similar facilities that promote cultural, educational, recreational, or supportive services
- Construction of sidewalks or streetscape
- Construction of shopping or retail center

The costs for the improvements must meet or exceed the amounts listed below based on the Application's applicable Development Location set-aside.

Development Location Set-aside	Minimum Cost for the Improvement
Large City	$100,000
Small City	$50,000
Rural	$25,000

Required Documentation: Submit all documentation in Tab P:

- Conditional commitment of funds describing the improvements, including sources and uses and estimated timeline for completion, and confirming the cost of improvements within the ¼ mile radius of the development meet the minimum cost requirements above.
- Map showing a ¼ mile radius and the location and description of improvements. For scattered site projects, Applicant must ensure that IHCDA can determine a ¼ mile radius from each site.
- A narrative describing how the improvements will benefit the tenants
- Approval from the local jurisdiction for any improvements within a public right of way

Maximum Number of Points	4

L. Tax Credit Per Unit

All Applications will be ranked based on tax credit request per program unit (not including market rate units). Points will be based on the following distribution.

Lowest Tax Credit Per Unit	80th Percentile	60th Percentile	40th Percentile	20th Percentile	Below 20th Percentile
Points	2	1.5	1	0.5	0

Maximum Number of Points	2

M. Tax Credit Per Bedroom

All Applications will be ranked based on tax credit request per bedroom (not including bedrooms in market rate units). Points will be awarded based on the following distribution.

Lowest Tax Credit	80th	60th	40th	20th	Below 20th

Per Bedroom	Percentile	Percentile	Percentile	Percentile	Percentile
Points	2	1.5	1	0.5	0

For the purposes of this calculation, an efficiency unit will count as a one-bedroom unit.

Maximum Number of Points 2

N. Internet Access

An Application will receive up to four points for committing to provide internet access to residents.

- One point if the Applicant commits to provide the necessary infrastructure for high-speed internet/broadband service in each unit
- Two points if the Applicant commits to provide free high-speed internet/broadband service for each unit
- Three points if the Applicant commits to provide free high-speed internet/broadband service for each unit if such service will be Wi-Fi.

An Application will receive one additional point if the Applicant commits to one of the options above and also commits to provide free Wi-Fi access in a common area, such as a clubhouse or community room.

Required Documentation: Completed Form A. Operating budget must include a line item for internet expenses incurred by the Owner if free internet service is provided to the tenants.

Submit in Tab T:

- Documentation from the identified internet service provider establishing the total cost of internet service for the development, either as a whole or on a per-unit basis; or
- If Applicant is unable to obtain such documentation from the provider, submit a narrative establishing how the amount budgeted for internet service was calculated.

Maximum Number of Points 4

Part 6.3 | Sustainable Development Characteristics

A. Building Certification

An Application will receive two points if the Applicant commits to exceeding the minimum green standards and all buildings register for and receive one of the following certifications. For Developments with multiple buildings, all buildings must meet one of the eligible certifications to qualify.

- LEED Silver Rating
- Silver Rating National Green Building Standard
- Enterprise Green Communities
- Passive House
- Equivalent certifications that are accredited by the American National Standards Institute may qualify for points. Applicants wishing to use an alternative to those listed above must consult with IHCDA prior to application submission.

Required Documentation: Completed Form A. The Green Professional selected for the project must be part of the design team (but a separate person from the project architect or engineer) and that person must acknowledge all building certifications that are committed to in the team member's affidavit. Place in Tab J.

Maximum Number of Points	**2**

B. Water Conservation

An Application will receive one point for installing one of the following types of high efficiency toilets. These items are interchangeable, and the Applicant does not have to select a particular option at the time of initial application.

- Ultra-low flush toilets (≤ 1 gal per flush)
- Dual flush toilets

Required Documentation: Completed Form A. The Green Professional selected for the project must be part of the design team (but a separate person from the project architect or engineer) and that person acknowledge all energy efficiency/water conservation items that are committed to in the team member's affidavit. Place in Tab J.

Maximum Number of Points	**1**

C. Desirable Sites

An Application will receive points if the proposed Development will be in close proximity and accessible to desirable facilities tailored to the needs of the tenants. For scattered site projects, points will be calculated by taking the average score of all units.

Location efficient projects	3 Points
Transit oriented development	2 Points
Opportunity index	6 Points
Undesirable sites	-1 Point per undesirable feature
Total Points Possible	11 Points

Location Efficient Projects

This scoring category promotes developments located near healthy food options, community facilities, services, healthcare, and retail centers.

An Application will receive up to three points if the proposed Development is located within a ½-mile radius of at least three facilities from the list below (from a minimum of two categories) or within a one mile radius of at least five facilities from the list below (from a minimum of two categories). One of the facilities must be a store with fresh produce, such as a supermarket or grocery store to qualify for the maximum points in this category. Developments without access to fresh produce may receive partial points.

Stores with fresh produce must:

- **Be currently established at the time of application.**
- **~~Have~~ Be a physical location that offers in-person transactions.**
- **Have regular business hours.**

For the purposes of this scoring category, farmer's markets, produce stands, gas stations, convenience stores, dollar stores, and drug stores do not qualify as stores with fresh produce.

Civic or Community Facilities	Services	Retail	Healthcare
~~Licensed childcare~~ Community or recreation center	Bank ~~Restaurant, café, diner~~	Restaurant, café, diner Supermarket	Pharmacy Doctor's or nurse practitioner's

~~Entertainment venue~~ Education facility (including K-12, university, adult education, vocational school, or community college) Cultural arts facility (museum, performing arts theater, etc.) Police or fire station Public library Public park Post office Government office that serves public onsite Social services center	Laundry or dry cleaner Gym, health club, exercise studio Licensed adult or senior care Licensed childcare Entertainment venue	Other food stores with fresh produce (as defined above) Clothing retail Other retail	office Optometrist Dentist Physical therapy office Clinic Hospital Immediate care facility Federally qualified health center (FQHC) Community mental health center (CMHC)

Transit-Oriented Development

An Application will receive two points if the proposed Development is located within a ½ mile radius of fixed transit infrastructure.

- "Fixed transit infrastructure" is defined as light rail stations, commuter rail stations, ferry terminals, bus rapid transit stations, bus stops, major bus transit centers, or streetcar stops.
- If the fixed transit infrastructure does not yet exist, the transit investment must be planned, approved, and funded at the time of application. Transit investments that have been funded but not completed will be considered. Verification of funding must be provided.
- Rural and small city sites may qualify for this category if the Applicant provides documentation of an established point-to-point transit service ~~that provides pick up service to~~ within a ¼-mile radius of the site. The point-to-point service must be available to all residents and must be available at least three days a week with either regular service hours or on-demand pick up. Ride share apps or taxi service do not qualify.

Opportunity Index:

An Application may earn up to six points, with one point for each factor. Points will be awarded if, as of the application due date, the proposed Development is located within an area that meets the qualifications below:

- High income: A county at the top quartile for highest median household income in the state based on the most recent data from the US Census, if the Development is not within a QCT.
- Low poverty: A county at the bottom quartile for poverty rate in the state based on the most recent data from the US Census, if the Development is not within a QCT.
- Low unemployment rate: A county that has an unemployment rate below the State average. http://www.stats.indiana.edu/maptools/laus.asp
- Access to primary care: A county with a ratio of population to primary care physicians of 2,000:1 or lower. http://www.countyhealthrankings.org/app/indiana/2018/measure/factors/4/data
- Access to post-secondary education: A development that is within a one-mile radius of the physical location of a university, college, trade school, or vocational school. Classes must be held onsite at this location for the school to qualify. The radius may be extended to three miles if the Application qualifies for transit-oriented development points.
- Access to employment: A development that is within a one-mile radius of one of the 25 largest employers in the county. The radius may be extended to three miles if the Application qualifies for transit-oriented development points. http://www.hoosierdata.in.gov/buslookup/BusLookup.aspx
- One point will be deducted if the proposed site falls within a census tract that is defined as a Racially/Ethnically Concentrated Area of Poverty ("R/ECAP") by HUD.
    - This deduction will not apply to applications competing in the Preservation set-aside.
    - This deduction will result in negative total points under the opportunity index scoring category if an application does not receive any of the opportunity index points above and loses a point for being in a designated R/ECAP. The lowest an application can score under opportunity index is negative one point.

Undesirable Locations:

One point ~~may~~ will be deducted per undesirable location present if the proposed Development is found to be within a ½-mile radius of locations that may pose a public or environmental health risk. However, points may be preserved if the Development includes the remediation of these issues (including brownfield or greyfield redevelopment).

Undesirable locations are defined as any locations that produce objectionable noise, smells, excessive traffic, hazardous activity, etc., including but not limited to: junkyards, hazardous chemical factories, hazardous heavy manufacturing factories, power plants or stations, water/sewage treatment facilities, petroleum or other chemical storage, and railroads.

~~When determining if a railroad is an undesirable location, IHCDA will assess T~~the ~~volume of daily train traffic can be~~as ~~determined by visiting the following websites:~~
- ~~http://safetydata.fra.dot.gov/officeofsafety/publicsite/crossing/Xingqryloc.aspx~~
- ~~http://safetydata.fra.dot.gov/officeofsafety/publicsite/crossing/crossing.aspx~~

Other undesirable locations not specifically listed above but noted in the market study may also result in negative points.

Required Documentation: Completed Form A (Application) and a site map indicating all desirable or undesirable locations. Place in Tab Q.

The map must contain a key stating the type of facility/activity identified, and must include the following:

- Location of site including an indication of major access roads
- Indication of a ½-mile and 1-mile radius from the site
- Areas of residential, industrial, or commercial development adjacent ~~to or near the site~~within the 1-mile radius.
- All desirable facilities or activities, including locations of employers and educational facilities to claim opportunity index points if applicable
- All undesirable locations

The Applicant must submit a separate map for each site of a scattered site development. Points will be awarded based on the average score for all units.

The market study must contain current interior and exterior photos of grocery stores that are being claimed for fresh produce points. Stock photos will not be accepted. Interior photos are not required if the store is part of a recognized grocery chain.

NOTE: If maps meeting the above requirements are located within the market study, no additional maps are required. However, the Applicant must indicate the page numbers where the information can be found within the market study in the notes section of the application's self-score sheet (Form A). See additional market study requirements in Schedule C.

Maximum Number of Points	**11**

Part 6.4 | Financing & Market

A. Leveraging Capital Resources

An Application will receive points for a firm commitment of non-IHCDA public or private funds to be used as capital funding for the Development. A firm commitment must not require any further approvals.

This may include federal, state, or local government funds or private funds, including but not limited to the following examples:

- The outstanding principal balance of existing direct federal debt or subsidized debt that has been or will be assumed in the course of an acquisition/rehabilitation transaction
- Funds from a local community foundation
- Funds already committed under programs such as local HOME and CDBG or the Federal Home Loan Bank's Affordable Housing Program (AHP)
- Waivers, such as tax abatement, resulting in quantifiable cost savings that are not required by federal or state law
- The value of donated land or property
- Public or private funds structured as loans with below market interest rates. Only permanent loans, not construction or bridge loans, will qualify.

Points will be awarded based on amount of leveraged resources as a percentage of total development cost:

% of Total Development Cost	Points
1%-2.49%	1
2.5%-3.99%	1.5
4%- 5.49%	2

5.5% -6.99%	2.5
7%-8.49%	3
8.5%-9.99%	3.5
10% or greater	4

Required Documentation: Place in Tab B.

A letter from the appropriate authorized official approving the funds. The letter must identify the source and amount of funding specific to the proposed Development. In the case of tax abatement, the local unit of government must estimate the monetary amount.

If the principal balance of any existing publicly funded or subsidized loan is to be assumed in the course of a proposed acquisition, the Applicant must submit approval of the loan assumption by the lender.

Land and building values must be supported by an independent, third-party appraisal.

For loans with below market interest rates, the lender letter must acknowledge that the rate offered is below its current market interest rate without any added fees or charges.

NOTE: An inducement resolution for bond volume will NOT be sufficient documentation to receive points.

Maximum Number of Points	**4**

~~B. Leveraging Opportunity Zones~~

~~Developments located in a designated Opportunity Zone with a commitment of funds from an Opportunity Zone Fund will receive up to three points if such funding provides a demonstrated enhancement to the project as defined below. The commitment of funds may be conditional based upon receipt of the tax credits.~~

~~A project is considered to be enhanced by the Opportunity Zone Fund if it the following criteria:~~

- ~~1.5 points if the Applicant does not request additional IHCDA gap resources beyond the credits or bonds; and~~
- ~~1.5 points if the Applicant requests a basis boost of no more than 20% in determining the credit request.~~

~~**Required Documentation:** Completed Form A and submit the following documentation in Tab B:~~

- ~~Commitment letter from the Opportunity Zone Fund.~~

Maximum Number of Points	3

~~C.~~B. Non-IHCDA Rental Assistance

Developments that have received a commitment of non-IHCDA funded rental assistance from a federal or state program will receive up to two points. The commitment can be conditional based on receipt of the tax credits, and in the case of Project Based Vouchers can be conditional on approval of subsidy layering review.

The rental assistance must meet the following criteria:

- Must be part of a federal or state rental assistance program
- Must be project-based rental assistance
- The term of the rental assistance agreement must cover at least the 15-year Compliance Period or have options for annual renewals.
- The rental assistance agreement must cover at least 20% of the units to receive two points or at least 10% of the units to receive one point.

Required Documentation: Place in Tab B. Commitment or conditional commitment letter from the funding agency. The letter must demonstrate that the rental assistance will meet all the requirements outlined above and must identify the payment standard used for setting rents.

Maximum Number of Points	2

~~D.~~C. Previous 9% Tax Credit Funding within a Local Government

An Application will receive three points if the Development's proposed site falls within the boundaries of a local units of government (LUG) in which there has not been a 9% RHTC allocation within the last three allocation years as of the application due date.

If a Development's proposed site falls within the boundaries of a LUG in which there has been a 9% RHTC allocation within the last three allocation years, the Application will receive points based on the total number of RHTC units funded within the boundaries of that LUG in the last three allocation years. For Developments with sites within the boundaries of multiple LUGs, points will be calculated by taking the average score of all units.

Total Number of RHTC Units	Points	Total Number of RHTC Units	Points
0 units	3.0 pts	126-150 units	1.50 pts
1 – 25 units	2.75 pts	151-175 units	1.25 pts

26-50 units	2.50 pts	176-200 units	1.00 pts
51-75 units	2.25 pts	201-225 units	0.75 pts
76-100 units	2.0 pts	226-250 units	0.5 pts
101-125 units	1.75 pts	251 or more units	0 pts

Maximum Number of Points	3

~~E.~~D. Census Tract without Active Tax Credit Projects

An Application will receive three points if the proposed Development is in a census tract that does not contain any active RHTC projects of the same occupancy type (family, age-restricted, assisted living, or supportive housing) as defined below.

An Application will receive 1.5 points if the proposed Development is in a census tract that contains exactly one other active RHTC project of the same occupancy type.

If the proposed Development qualifies under the Preservation set-aside and the project being preserved is the only active tax credit project currently in the census tract, then the Application will receive three points. In this way, IHCDA rewards applications that seek to preserve the only existing tax credit project in the area.

For purposes of this scoring category, an active tax credit project is defined as a 9% or 4% tax credit project that is in its 15-year Compliance Period or that has received a reservation of credits but has not yet placed in service.

The following definitions apply to occupancy type:

- Family refers to any project that is not age-restricted, assisted living, or supportive housing.
- Age-restricted refers to a project that has elected to serve persons age 55+ or 62+ based on the Housing for Older Persons Act of 1995 definitions, if that project is not assisted living. If a project contains both independent senior and assisted living, that project will be classified as the type that has the most units. If there are an equal number of independent and assisted living units, the project will be classified as assisted living.
- Assisted living refers to an age-restricted project that provides assisted living services.

- Supportive housing refers only to supportive housing for persons experiencing homelessness. Integrated supportive housing projects will be counted as supportive housing.

Note: Community Integration set-aside projects providing supportive housing for persons with I/DD are treated as either age-restricted or family projects.

For Developments with units in multiple census tracts, points will be calculated by taking the average score of all units.

Required Documentation: Completed Form A (Application)

Maximum Number of Points	**3**

~~F.~~E. Housing Need Index

An Application will earn up to three points with one point for each item below. Points will be awarded if, as of the application due date, the Development is located within:

- A county experiencing population growth, based on data from 2010-~~2017~~ 2019 pulled from STATS Indiana, as listed below. A county is included in this list if it experienced positive net growth of at least 5% between 2010 and ~~2017~~ 2019 **and** experienced positive net growth between ~~2016~~ 2018 and ~~2017~~2019, the last year for which data is currently available.

- A county in which 45% or more of renter households are considered rent burdened, based on HUD's Comprehensive Housing Affordability Strategy data. Rent burdened is defined as paying greater than 30% of household income on housing.

- A county in which 25% or more of renter households are considered to have at least one severe housing problem, based on HUD's Comprehensive Housing Affordability Strategy data. A severe housing problem is defined as incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, or cost burden greater than 50%.

- A county with less than 50 units for every 100 extremely low-income (30% AMI) renter households per the "Mapping America's Rental Housing Crisis" tool. To be eligible for points, a Development must create units that will be rent restricted at or below 30% AMI.

See Schedule L for lists of qualifying counties as prepared by IHCDA.

Maximum Number of Points	~~3~~4

~~G.~~F. Lease-Purchase

An Application will receive two points if the proposed Development will offer homeownership opportunities to qualified tenants after the initial 15-year Compliance Period (per IRS Rev. Ruling 95-49). These points will be available only for single family, townhouse, or duplex units.

To qualify for these points:

- 100% of the units in the proposed Development must be made available as lease-purchase units
- At least 50% of the units must be three-bedroom units or larger
- Applicants must have a viable homeownership strategy and offer appropriate services to residents who inhabit the units during the Compliance Period. Please refer to the IHCDA's RHTC Compliance Manual Part 6.8.D (Schedule A) for additional Lease-Purchase Program requirements.

Note: Developments that are electing to be age-restricted or that are competing in the Housing First set-aside are not eligible for these points

Required Documentation: Place in Tab R

1) A detailed plan for the lease-purchase program that includes a limited partnership ownership exit strategy, homeownership counseling and other appropriate services for tenants, and a minimum amount of funds set aside by the owner to assist the resident in the purchase

2) An executed agreement with the non-profit organization that will implement the lease-purchase program

Maximum Number of Points	2

Part 6.5 | Other

A. Certified Tax Credit Compliance Specialist

1) Management: An Application will receive points if the Management Agent contact person identified in the Development Contact page in

Form A has been certified as a tax credit compliance specialist under one of the designations listed in the chart below. Property management consultants or subcontractors do not qualify as an eligible Management Agent. The Management Agent contact person identified in the Development Contact page in Form A must serve in a supervisory capacity and must be a different person than the designated Owner or Developer contact person.

One point will be awarded for the first certification and an additional point will be awarded for a second certification for a maximum of two points. To obtain two points, the certifications must be held by the same person who is the designated contact person in Form A.

2) Owner: An Application will receive one point if the owner has been certified as a tax credit compliance specialist under one of the designations listed in the chart below. An owner is defined as a principal of each general partner identified in the owner information chart within Form A. For non-profit organizations, the executive director/president will be considered the owner.

Certification	Sponsoring Organization	Website
Certified Credit Compliance Specialist (C3P)	Spectrum	www.spectrumseminars.com
Tax Credit Compliance Specialist (TaCCs)	Quadel	www.quadel.com
Site Compliance Specialist (SCS), National Compliance Professional (NCP), or National Compliance Professional- Executive (NCP-E)	Housing Credit College	www.housingcreditcollege.com
Housing Credit Certified Professional (HCCP)	National Association of Home Builders	www.nahb.org
Specialist in Housing Credit Management® (SHCM®)	National Affordable Housing Management Association (NAHMA)	www.nahma.org
Tax Credit Specialist (TCS or eTCS) or Tax Credit Specialist Advanced (TCSA)	National Center for Housing Management (NCHM)	www.nchm.org

~~If a certification requires annual renewals, the certification must be in current standing at the time of application submission in order to qualify for points.~~

Required Documentation: Provide copies of the certification(s) in Tab S.

Maximum Number of Points	**3**

B. Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE), Veteran-Owned Small Business (VOSB), and Service-Disabled Veteran-Owned Small Business (SDVOSB)

An Application will receive up to four points for committing to use MBE/WBE/DBE/VOSB/SDVOSB entities. Points will be awarded per the chart below.

Definitions:

- MBE and WBE, including DMBE (Disadvantaged Minority Business Enterprise), DWBE (Disadvantaged Women Business Enterprise), and DMWBE (Disadvantaged Minority Women Business Enterprise), mean an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more individuals who are United States Citizens and members of a racial minority group or female in gender as evidenced by certification from the Indiana Department of Administration Minority & Women's Business Enterprise Division or the Indiana Minority Supplier Development Council.

- A DBE is a for-profit small business in which socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. The Indiana Department of Transportation (INDOT) is the sole certifying agency for the Indiana DBE Program.

- The Center for Veteran Enterprise (CVE) maintains the Department of Veterans Affairs (VA) Vendor Information Pages (VIP) database of Service-Disabled Veteran Owned Small Businesses (SDVOSB) and Veteran-Owned Small Businesses (VOSB). CVE performs the VA VOSB/SDVOSB verification process for small businesses that represent themselves as veteran-owned and controlled.

“Owned and controlled” is defined as follows:

- For owners and developers:
    - Ownership of at least 51% of the enterprise (stock of a corporation, interest in a limited liability company, or general partner of a limited partnership)
    - Control over the management and active in the day-to-day operation of the business
    - An interest in the capital, assets, and profits and losses of the business proportional to the percentage of ownership
    - Materially participates in the management of the Development
- For contractors and management entities:
    - Ownership of at least 51% of the enterprise (stock of a corporation, interest in a limited liability company, or general partner of a limited partnership)
    - Control over the management and active in the day-to-day operation of the business
    - An interest in the capital, assets and profits and losses of the business proportional to the percentage of ownership.

A non-profit entity is eligible to receive points as an Owner/Developer, General Contractor, or Management Agent if at least 51% of the members of the Board of the Directors are minorities, females, or persons with disabilities as evidenced by the organization’s By-Laws, Charter, or Articles of Incorporation. The organization must be a 501(c)(3) tax-exempt nonprofit organization and must serve as the Applicant, ~~sponsor~~Owner, or Developer for the project.

Firm/Entity	1-4.99% of Total Development Cost	>5% of Total Development Cost
Professional Services or General Contractor	0.5 point	1 point

Firm/Entity	4-7.99% of Total Development Cost	>8% of Total Development Cost

Sub-contractors	0.5 point	1 point

Firm/Entity	
Owner/Developer	1 point
Management Agent* (minimum 2-year contract)	1 point

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://www.imsdc.org
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2748.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/

*Management Agent must have control over all management activities for the Development. The Management Agent listed on the application must be used by the Owner for at least two years after Development completion unless the agent is guilty of material non-performance of duties. The Owner must request IHCDA approval for any substitution of Management Agent prior to the two-year period.

Required Documentation: Completed Form A.

The Owner will be required to provide all applicable contracts and certifications at the time of final application which demonstrate the committed percentages have been met.

Maximum Number of Points	**4**

C. Unique Features

An Application will receive up to four points for proposing unique features that contribute to the Development or the surrounding community. This may include unit and common area amenities, financial structure, community support, location, and/or services offered to all residents.

IHCDA scores Applications by comparing all unique features proposed within an application round. Unique feature points are awarded at IHCDA's sole discretion using the distribution in the chart below.

% of Apps.	8%	13%	18%	22%	18%	13%	8%
Points	**4**	**3.5**	**3**	**2.5**	**2**	**1.5**	**1**

Required Documentation: Place in Tab A. Unique Features Narrative, not to exceed one page, identifying all features for IHCDA to consider as unique. This narrative must be a separate document from ~~, which is separate from~~ the three-page Narrative Summary ~~identifying all features for IHCDA to consider as unique~~.

Maximum Number of Points	**4**

D. Tenant Investment Plan

An Application will receive up to six points for creating a Tenant Investment Plan. Applications must propose a combination of Level 1~~,~~ and 2 ~~and 3~~ services to receive ~~the maximum~~ any points.

Tenant Investment Plan Commitments		
~~**Level One Services**~~	**Level ~~Two~~ 1 Services**	**Level ~~Three~~ 2 Services**
~~**0.25 Points per Service**~~	**0.5 Points per Service**	**1 Point per Service**

~~Food Pantry Referral~~	Financial Literacy	Transportation
~~Clothing Pantry Referral~~	Computer Training	Parenting Classes/ Early Childhood Development
~~2-1-1/ Information & Referral~~	Credit Counseling	Light Housekeeping
~~Smoking Cessation~~	Nutrition Classes	Outpatient Rehab
~~Discount Program~~	Exercise Classes	Physical Therapy
~~Coupons to Local Public/ Private Facilities~~	Resume Building	Medication Delivery
~~Blood Pressure Screening~~	GED/Adult Education	Home Healthcare
~~Music Ministry~~	Art Classes	Dental Services
~~Writer's Group~~	Food Cultivation or Preparation	Assisted Living
~~Stress Management~~	Sports League	Alzheimer's Care
~~Quarterly Resident Meetings~~	Tax Preparation Assistance	Vocational Rehab Services
~~Holiday Events~~	Medicaid Waivers	Adult Daycare/Eldercare
~~Recycling Program~~	Animal Therapy	Substance Abuse Treatment
~~Resident Liaison~~	Employment Services	Case Manager
~~Residents Association~~	Meals on Wheels	TIP Coordinator
~~Mentor Program~~	HIV Counseling, Testing & Education	Utility Assistance
~~Monthly Development Newsletter~~	Family Caregiver Support Program	
~~Virtual Bowling/Golf League~~	Symptom Management	
~~Monthly Activities Program~~	Smoking Cessation	
~~Neighborhood Watch Program~~	Residents' Association	
~~Neighborhood Stabilization Program~~		

All services chosen by the Applicant should conform to the needs of the Development and its residents. Services will be viewed as interchangeable within a column, provided the total number of services selected in each column remains the same.

Required Documentation: Completed Form A. Evidence of the specific services selected, including copies of service agreements, must be submitted with the project's request for the issuance of Form 8609.

Maximum Number of Points	**6**

E. Integrated Supportive Housing

An Application will receive up to six points if the proposed Development will create Integrated Supportive Housing, defined as housing in which between **20-25%** of the total development units~~, but no fewer than seven units,~~ are designated as supportive housing for persons experiencing homelessness. Applications proposing that 100% of the units will be supportive housing are eligible to compete in the Housing First Set-aside but are **not** eligible for points in this evaluation category.

Applications must meet the following criteria to qualify for six points:

1. Applicant must successfully fulfill all requirements of the Indiana Supportive Housing Institute for the specific Development for which they are applying. Participation in the Institute is based on a competitive RFP selection process.

   To demonstrate that all Institute requirements have been met, the Applicant must obtain a letter from CSH certifying that:

   i. The team attended all Institute sessions

   ii. The project concept is aligned with Institute goals, including target population to be served and use of the Housing First model.

   iii. CSH has reviewed and approved the proposed development, operating, and service budgets, tenant selection plan, operation plan, and supportive service plan. The Development Team must submit their draft budgets and plans to CSH 45-90 calendar days prior to the tax credit application submission deadline in order to allow time for review and comments.

2. Applicant must enter into an MOU with CSH for ongoing technical assistance to be provided from completion of the

Institute until at least the end of the first year of occupancy. A copy of the MOU must be provided with the application.

3. Applicant must enter into an MOU with each applicable supportive service provider. A copy of each MOU must be provided with the application.

4. Applicant must identify all subsidy sources for project-based rental assistance and provide all funding commitments with the application. If the funding has not yet been committed, Applicant must provide proof of application, a narrative describing the selection process, and a narrative describing how the Development will move forward if the application is denied. If Applicant is applying for Project Based Vouchers through IHCDA, submit Form O.

Applications will receive three points for proposed Developments that meet the above definition of integrated supportive housing but that were not developed through the Indiana Supportive Housing Institute. However, the supportive housing team (developer, management agent, and service provider) must all have completed a previous Institute in Indiana together as a team.

Applications must meet the following criteria to qualify for three points:

1. The Applicant must obtain a letter from CSH certifying that:

   i. The primary team members (developer, management agent, and service provider) have all completed a previous Indiana Supportive Housing Institute together as a team.

   ii. The project concept is aligned with Institute goals, including target population to be served and use of the Housing First model.

   iii. CSH has reviewed and approved the proposed development, operating, and service budgets, tenant selection plan, operation plan, and supportive service plan. The Development Team must submit their draft budgets and plans to CSH 60-90 calendar days prior to the tax credit application submission deadline in order to allow time for review and comments.

2. Applicant must enter into an MOU with CSH for ongoing technical assistance to be provided through at least the end of

the first year of occupancy. A copy of the MOU must be provided with the RHTC application.

3. Applicant must enter into an MOU with each applicable supportive service provider. A copy of each MOU must be provided with the RHTC application.

4. Applicant must identify all subsidy sources for project-based rental assistance and funding commitments must be provided with the RHTC application. If the 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. Applicants that have not completed the Institute for the specific project for which they are applying are NOT eligible to request IHCDA Project Based Vouchers.

Required Documentation: Place in Tab O

- CSH letter certifying completion of the Institute (six points) or previous Institute completion (three points), review of applicable plans, and alignment with Institute goals and the Housing First model
- Copy of executed CSH MOU
- Copy of MOU with each applicable supportive service provider
- Documentation of commitment of subsidy sources for project-based rental assistance or narratives as described above
- If applicable, Form O to apply for IHCDA Project Based Vouchers. Applications eligible for three points may not request IHCDA project-based vouchers.

Maximum Number of Points	**6**

F. Smoke-Free Housing

An Application will receive three points for committing to operate as smoke-free housing. To receive points, the Application must include a smoke-free housing ~~policy~~ lease addendum that includes the following items:

- Definition of smoking, which must include electronic cigarettes and vaping as a form of prohibited smoking

- Language stating that smoke-free rules apply not only to residents but also their guests on the property, staff, etc.

- Explanation of where smoking is prohibited on the property. Smoking must be prohibited in individual units and all interior common space. The ~~plan~~ lease addendum ~~may~~ must either establish the entire property as smoke-free or identify a designated smoking area on the property. A designated smoking area must not be within 25 feet of any buildings.

- Explanation of how smoke-free rules will be ~~communicated and~~ enforced (i.e. what happens if a tenant does smoke in the building)

- ~~If the Development is the preservation of existing housing that is not currently smoke-free, the plan must include an explanation of how the property will transition to a smoke-free environment.~~

- ~~The smoke-free housing lease addendum that will be signed by all households~~

IHCDA recommends the American Lung Association of Indiana's "Smoke Free Housing Toolkit" as a resource for creating a smoke-free housing policy. See http://insmokefreehousing.com for more information.

Required documentation: Completed Form A and a copy of the draft lease addendum meeting the requirements above. Place lease addendum in Tab T.

~~Place in Tab T:~~

- ~~Smoke-free housing policy that meets the above requirements~~
- ~~Copy of draft lease addendum~~

Maximum Number of Points	**3**

~~G. Community Participation~~

~~Two points will be awarded if the Applicant, Owner, or Developer is a member of the Board of Directors of a 501(c)(3) nonprofit organization within the State of Indiana that has been in existence for at least one year from the time of application submission. An owner is defined as a principal of each general partner identified in the owner information chart within Form A. The Applicant and Developer is defined as the contact identified in the Development Contact page within Form A.~~

~~The nonprofit must have affordable housing, community development, or economic development as one of its primary purposes. To qualify, the nonprofit organization on whose Board the individual serves cannot be part~~

~~of the Development Team for the proposed project, unless the individual has been on the Board for at least three years prior to the application submission date.~~

~~**Required Documentation:** Completed Form A and the following documents placed in Tab C:~~

- ~~A current list of board members; and~~
- ~~If nonprofit organization is part of the Development Team, evidence that the Applicant, Owner or Developer contact has been on the Board at least three years; and~~
- ~~A copy of the organization's by-laws; and~~
- ~~A copy of the organization's articles of incorporation; and~~
- ~~A copy of the IRS letter confirming 501(c)(3) status.~~

~~**Maximum Number of Points**~~	~~**2**~~

~~H.~~G. Reducing the Impact of Eviction

Applications will receive up to three points if the Applicant commits to implementing strategies that reduce the impact of eviction on low-income households.

- An Application will receive two points if the Applicant commits to creating an Eviction Prevention Plan for the property. A qualifying Eviction Prevention Plan must be drafted prior to initial lease-up and submitted to IHCDA for review and approval. The plan must address how the property will implement management practices that utilize eviction only as a last resort, and must describe strategies that will be taken with tenants on an individualized basis to attempt to prevent evictions when issues arise. The plan will be reviewed as part of IHCDA ongoing compliance monitoring to ensure it remains in place. In addition, the Applicant must agree to submit data on evictions as part of the Annual Owner Certification of Compliance reporting.
- An Application will receive one point if the Applicant commits to implementing low-barrier tenant screening to minimize the impact of previous evictions on a household's ability to secure future housing.

The Applicant must agree that the project's Tenant Selection Plan will not screen out applicants for evictions that occurred more than 12 months prior to the date the household applies for a unit. A qualifying Tenant Selection Plan must be drafted prior to initial lease-up and submitted to IHCDA for review and approval. The plan will be reviewed as part of IHCDA ongoing compliance monitoring to ensure this requirement remains in place.

Additional guidance and samples for eviction prevention and tenant selection plans will be provided by IHCDA ~~via future additions to the~~in the 2021 Compliance Manual.

Required Documentation: Completed Form A and an affidavit from the Management Agent ~~acknowledging the commitments~~. The affidavit must have specific language acknowledging that the Management Agent is aware that the Applicant has committed to implementing eviction prevention strategies. Place affidavit in Tab J.

Maximum Number of Points	**3**

~~I.~~H. Technical Corrections

After completing threshold review, IHCDA will award bonus points for Applications that have no more than two technical corrections. See Section 5.7 for details on technical corrections and the Technical Correction Period.

Number of Technical Corrections	**Bonus Points**
0-1	4
2	2
3 or more	0

~~Applications that contain a technical correction will be charged a $500 resubmission fee for each technical correction. Applications reviewed during the Threshold period and found to have five or more Technical Corrections after being given the opportunity to respond will be returned and withdrawn from the funding round.~~

~~Applications that do not pass Threshold on initial review because of technical errors or incomplete information will be provided an opportunity to submit additional information through the following process:~~

~~1) IHCDA will contact the Applicant and specify the items where the application failed Threshold review.~~

~~2) The Applicant will be allowed no more than 14 calendar days to provide additional information to IHCDA for the application to pass Threshold.~~

~~3) Information may be emailed or uploaded to the IHCDA specified file sharing site, unless IHCDA requests original documents.~~

~~4) Once information has been received, IHCDA will NOT respond with the status of the application or the additional information other than to verify its receipt.~~

~~5) Clarification of documentation that has already been provided in the application will still be eligible for points in this category as long as no additional documentation is required for the application to pass Threshold, in IHCDA's sole discretion.~~

~~6) No Applicant will be allowed to submit additional documentation during the Technical Correction Period to score points in any point scoring category.~~

~~7) IHCDA, in its sole discretion, will determine if the additional documentation submitted during the Technical Correction Period is adequate for the application to pass Threshold.~~

~~8)~~4) ~~The Correction Period will apply to those applications applying for HOME and Development Fund, or any other IHCDA gap funding source. The application will not be subject to a point reduction if the technical correction is associated with a requirement identified in Schedule E or Schedule J, however the Applicant will be required to submit the resubmission fee of $500 per correction.~~

Commented [RM16]: Moved to threshold Section 5.7 since this language is about how the threshold review and technical correction period works. That is before scoring.

Maximum Number of Points	4

~~J.~~I. Lack of Progress on Issuance of Form 8609

If any Applicant, Owner, and/or Developer has received an RHTC award in a previous round and that Development ("Delayed Development") was not issued IRS Form 8609 within 36 months of the date of the Carryover Agreement, any application submitted during subsequent funding rounds ~~may~~ will be assessed a five point penalty.

EXCEPTION: The penalty will not apply if the Applicant, Owner, and/or Developer has since received Form 8609 for the Delayed Development and received Form 8609 on at least one other Development within 36 months of its date of Carryover Agreement subsequent to the ~~application date~~issuance of Form 8609 for ~~of~~ the Delayed Development.

Any Applicant, Owner, and/or Developer representing a Delayed Development ~~may~~ will continue to receive the penalty on each subsequent application until they have fulfilled the requirements above.

Maximum Penalty	**-5**

J. Owners Committed to Serving Qualified Tenants for the Longest Periods

To incentivize the preservation of affordable housing and protect the tax credit program by ensuring that owners are completing the intended 30-year extended use period for all tax credit projects, negative points will be assessed if the Applicant, Owner, and/or Developer has terminated the extended use period on an existing project.

Negative points will be assessed as follows:

- -2 points if the Applicant/Owner/Developer or principal thereof has requested a Qualified Contract release for any one project in Indiana after January 25, 2021
- -4 points if the Applicant/Owner/Developer or principal thereof has requested a Qualified Contract release on more than one project in Indiana after January 25, 2021
- -4 points if the Applicant/Owner/Developer or principal thereof has experienced a foreclosure that resulted in the release of an extended use period on a tax credit project in Indiana after January 25, 2021.

Maximum Penalty	**-4**

Section 7 - Miscellaneous

IHCDA will make all reasonable attempts to reserve all available Rental Housing Tax Credits in one scheduled application and reservation cycle. However, a waitlist may be formed from those applications that did not receive a preliminary reservation of credits in the main round. If additional credits become available, IHCDA may make a reservation announcement for applications on the waitlist according to ranking of the waitlist and funds available.

Part 7.1 | Application Dates

Dates for the rounds are as follows:

~~2020 and 2021~~2022 Annual 9% Rental Housing Tax Credit Round	
Application Deadline	Anticipated Reservation Date
July ~~29~~26, ~~2019~~2021, 5:00 PM Eastern Time	November ~~21~~18, ~~2019~~2021
~~July 27, 2020, 5:00 PM Eastern Time~~	~~November 19, 2020~~

~~2020 and 2021~~2022 Annual Private Activity Bond Round	
Application Deadline	Anticipated Reservation Date
N/A – Open application round	90-120 days from the application submission, with possible delays during the 9% application round

Part 7.2 | Fees

All fees must be ~~made~~ paid ~~payable to~~through IHCDA's online payment portal. IHCDA will no longer accept checks for application fees. If a ~~check~~ payment is returned for insufficient funds, the application will be immediately denied.

A. Application Fee

All Applicants must submit non-refundable application fees with each application.

- All Applicants must submit a $3500 RHTC application fee.

- If the proposed Development contains sites in multiple jurisdictions, the Applicant must submit a $500 fee for each additional jurisdiction.

- If the Application requests IHCDA supplemental funding including HOME, Development Fund, Housing Trust Fund, or Project Based Vouchers, the Applicant must submit a $1000 supplemental application fee for each source requested.

B. Conditional Commitment Reservation Fee

Applicants receiving a reservation of RHTC for a proposed Development must pay a non-refundable reservation fee within 30 days after the date of a Conditional Commitment. This fee equals the greater of 6.5% of the annual amount of RHTC for the Development or $15,000.

C. Additional Fees

IHCDA will assess the Applicant a fee for any costs incurred for additional or extraordinary services requested by or required of the Applicant, Owner, or Developer. All such fees must be paid prior to issuance of IRS Form 8609 or before any subsequent application will be considered.

The following is a non-exhaustive list of fees for typical services. Each fee must be paid at the time of request and must be received before IHCDA will proceed with its review/process.

Fee Amount	Description of Service
$500	Resubmission fee for each technical correction identified during threshold review
$1,000	Modification fee to request changes in the characteristics of the Development, such as unit type, distribution, or targeting, or for changes to scoring
$1,000	~~Re-underwriting / loan~~ Loan modification fee to request changes to IHCDA loan terms after execution of an LOI ~~or if changes to the project sources/uses/pro forma require IHCDA to re-underwrite.~~
$1,500	Legal modification fee if an approved modification requires IHCDA to amend legal documents, including but not limited to the Extended Use Agreement (lien)

Commented [RM17]: Separated into separate line item below for clarity

	and any loan documents
$1,000	Re-underwriting fee if changes to the project sources and uses or pro forma require IHCDA to re-underwrite
$500	Fee to request the waiver of a threshold requirement. This fee must be paid at the time of request.
$1,000*	Fee to request an extension to any deadline established in the QAP, Schedules, or Appendices. *The amount of the fee will increase by $500 for each subsequent extension request. For example, the second extension request for the same deadline would be $1500.
$1,500	Fee to request an amended IRS Form 8609 due to an error in the submission of Final Application documentation.
$1,500	Fee to request an amended Carryover Agreement resulting from a change in the building identification numbers or other modification (i.e. legal description errors, etc.).
$1,500	Fee to request changes in the ownership structure
~~$1,500~~	~~Fee to request an extension for meeting special conditions set forth in the Reservation/Conditional Commitment Letter.~~

Part 7.3 | Use of Forms

IHCDA requires the use of the forms included in the Forms section of this QAP, as amended from time to time. Any deviations from or changes to the language must have prior written approval from IHCDA.

Part 7.4 | ~~Semi-Annual Progress Reports~~Progress Inspections

IHCDA's inspector must be notified in writing when construction begins via Form TBD. The inspector will conduct period progress inspections throughout the construction period, and the Developer agrees to comply with all such inspections. ~~All Developments must submit a Semi-Annual Progress Report to IHCDA on or before June 30th and~~

Commented [RM18]: Form to be created

~~December 31st each year until the final application has been submitted for the Development.~~

Part 7.5 | Changes in Ownership

If a change in ownership occurs, a detailed description of the change must be provided in writing to IHCDA via the "Property Ownership Change Form."

IHCDA must approve any change in ownership or transfer request if made prior to the issuance of IRS Form 8609 for any Development that has received an allocation of Rental Housing Financing and/or Bonds.

IHCDA must be notified of any change in ownership or transfer if made after the issuance of IRS Form 8609. However, IHCDA must approve the change of ownership if the development has other IHCDA financing and/or if the development is subject to the nonprofit material participation requirements of the Qualified Not-for-Profit set-aside. Failure to notify IHCDA of changes in ownership for RHTC and/or Bonds after the issuance of IRS Form 8609 could result in the allocation being rescinded and/or possible non-compliance issues.

See Schedule B for IHCDA's Ownership Change procedures.

Part 7.6 | Development, Financing and/or Applicant/Owner Modifications

Modifications to the Development that affect threshold requirements, scoring items, and/or IHCDA financing terms in any way without prior written approval from IHCDA may result in a reduction and/or rescission of IHCDA funding (including private activity tax-exempt bonds). Modification requests are subject the fees outlined in Part 7.2.

To request a modification, the following documentation must be submitted to IHCDA for consideration:

a. Formal written request, signed by the ~~from the~~Applicant, Owner, and~~/~~ Developer if different entities, detailing (1) the specific request, (2) the reason the modification is needed, and (3) the impact to the project in the event the modification is not approved.
b. Modification fee of $1,000. *Note: additional fees may apply if legal documents must be amended or the modification requires IHCDA to re-underwrite the application, per the fee chart in Part 7.2.
c. Updated Form A that reflects changes to the original application based on the proposed modification.
d. At its discretion, IHCDA may request additional supporting documentation, including proof that the equity investor has approved the modification.

IHCDA will not consider modification requests to change the development site.

Failure to maintain the project's final score from initial application to final application may result in penalties, including but not limited to a fine and/or suspension. The penalty will apply to the Applicant, Owner, Developer, and/or other applicable Development Team members at the discretion of IHCDA.

Part 7.7 | Carryover Allocations and Lock-In Agreements

All necessary forms (the Carryover Agreement or Lock-In Agreement along with all supporting documentation) must be submitted by the IHCDA imposed deadline. IHCDA requires the use of the Carryover, Lock-In Agreement, and 10% Cost Certification forms provided with this QAP. Any deviations from or changes to the language must have prior approval from IHCDA.

Part 7.8 | Issuance of IRS Form 8609

Each IRS Form 8609 will only be issued once. However, in exceptional circumstances IHCDA may, in its sole discretion and upon receipt of additional fees (as determined by IHCDA), elect to review additional circumstances that may allow for the issuance of an amended IRS Form 8609. All documents requested shall be submitted to IHCDA in a timely manner as defined by IHCDA.

The entire Final Application and Final Cost Certification package to request IRS Form 8609 must be submitted in a format acceptable to IHCDA as soon as possible after the Development has been placed in service, but no later than six months following the issuance of the Certificate of Occupancy/Substantial Completion for the Development and/or the placed in service date of the last building in the Development.

Within one year prior to a request for and issuance of IRS Form 8609 the property management staff assigned to the Development and the owner of the Development must receive an IHCDA Rental Housing Tax Credit Compliance Seminar completion certificate. (See item h below for more information.) The management agreement between the owner and the management agent must be for a minimum of two years effective at the placed in service date, as evidenced in the management agreement. However, if replacement of the management agent is warranted prior to the expiration of the two-year period and the Development received points for Minority Owner Business Enterprise (MBE) or Woman Owned Business Enterprise (WBE), the new management must also satisfy these criteria.

The owner must submit at a minimum the following documentation to IHCDA within six months from the time the Development is placed in service:

a. Pre-8609 Physical Inspection Request Form: This form should be submitted as soon as possible after the entire Development is placed in service, even if the other documents for the 8609 package are not available. IHCDA will then conduct a physical inspection (the “Pre-8609 Inspection”) of the property. All items from the physical inspection must be addressed before IHCDA will issue IRS Form 8609; See Form H.

b. Completed Final Rental Housing Finance Application and Cost Certification (Electronic PDF Format);

c. Copy of Final Score Sheet demonstrating Applicant has maintained the score from the Initial Application. Failure to maintain the project’s final score from initial application to final application may result in penalties, including but not limited to a fine and/or suspension. The penalty will apply to the Applicant, Owner, Developer, and/or other applicable Development Team members at the discretion of IHCDA.

d. Certificate(s) of Occupancy for each building in the Development or Certificate(s) of Substantial Completion for all rehabilitation Developments (Electronic PDF Format);

e. All permanent financing closing documents (Electronic PDF Format of the recorded copy);

f. All construction financing documents (Electronic PDF Format);

g. Current partnership agreement or limited liability company operating agreement, including all exhibits and schedules executed by the limited and general partners or managing member (Electronic PDF Format);

h. Recorded Lien and Extended Use Agreement, executed by Owner, lender and IHCDA. Before this document is recorded, IHCDA must review and execute it. This process must be done before the Final Application is submitted and the IRS Form 8609 review process has begun;

i. Prior to request for and issuance of IRS Form 8609, an agent of the property management staff must have attended an IHCDA sponsored tax credit compliance workshop or completed the online Housing Credit College course entitled “Housing Credit 300: Compliance Basics for Indiana Properties” within the last year. Additionally, an Owner who has not been issued an 8609 from IHCDA within the past three years must have attended an IHCDA sponsored tax credit compliance workshop or completed the online Housing Credit College course entitled “Housing

Credit 300: Compliance Basics for Indiana Properties" within the last year.

j. Executed Development Agreement (Electronic PDF Format);

k. Copy of deed showing partnership as owner (Electronic PDF Format);

l. Executed Management Agreement (Electronic PDF Format);

m. Photographs of the completed Development (exterior and interior);

n. Documentation of MBE/WBE participants. If participants have changed since initial application, copy of the signed contract/agreement and a copy of the entity's certification from the Indiana Department of Administration must be submitted (Electronic PDF Format);

o. Owner affidavit of services being provided to the Development along with the term for services provided and cost to the tenants; and

p. Any other documents that IHCDA may require in determining the final amount of RHTC to be allocated to the Development and the Development's conformance with the requirements of Section 42 (Electronic PDF Format).

IHCDA anticipates issuing IRS Form 8609 within 90 business days after the requested materials have been submitted. Incomplete or insufficient documentation will result in a delay of the issuance.

Part 7.9 | Dissemination of Information

Any application submitted to IHCDA for an allocation of RHTC or Private Activity Tax-exempt Bonds is available for dissemination and publication to the general public.

To request a copy of an application, follow the IHCDA public records request process.

Part 7.10 | Exchange of Credits

An Applicant may return previously allocated credits to IHCDA in exchange for an allocation of current year credits in an amount not to exceed the amount of the returned credits. The Applicant must establish that despite its timely and diligent efforts, it is in jeopardy of failing to meet the placed-in-service deadline for the building with respect to which the prior credits were allocated as a result of either:

a. Litigation brought by parties other than the Applicant and that the Applicant could not have anticipated; or

b. Catastrophic events that the Applicant could not reasonably have anticipated or controlled.

To qualify for the exchange of credits, the Applicant must provide supporting documentation with evidence of:

a) Due diligence performed by the Applicant in attempting to meet the placed-in-service deadline;

b) The specific circumstances causing the delay that jeopardizes the Applicant's compliance with the placed-in-service deadline;

c) The attempted remedial measures taken by the Applicant in order to mitigate the delay; and

d) Any other information that may be requested by IHCDA.

No more than one exchange of credits may be approved with respect to a given Development. To request an exchange of credits an Applicant must submit to IHCDA, no later than November 1st of the year in which the Development is required to be placed in service (based on the original allocation), a letter setting forth the reason justifying the exchange and including the following:

a) A narrative describing the need for the exchange of credits and all attempts by the Applicant to meet the original placed-in-service deadline;

b) A new Form A;

c) The application fee set forth in Part 7.2;

d) Payment of a nonrefundable reservation fee of 4.0% of the annual amount of Rental Housing Tax Credits for the Development;

e) Supporting documentation of the Development's continued eligibility under the requirements of the QAP as in effect at the time of the original allocation; and

f) Supporting documentation of the development's continued financial feasibility.

In order to complete the exchange, the allocation must be returned under Section 42 Treasury Regulation 1.42-14 and a new carryover allocation must be completed for the allocation.

Part 7.11 |Requesting Additional IHCDA Resources after a Credit Allocation

Developments that request additional IHCDA resources after a tax credit allocation is made will be subject to sanctions if the funding request is approved by IHCDA's Board of Directors. Possible sanctions include, but are not limited to:

- Up to two year suspension of the Applicant, Owner, Developer, and/or other applicable Development Team members at the discretion of IHCDA.
- A fine to the Applicant, Owner, Developer, and/or other applicable Development Team members in an amount at the discretion of IHCDA.

This penalty does not apply to developments applying for short term construction or equity bridge loans.

Part 7.12|Performance Violation

IHCDA in its sole and absolute discretion shall have the right to impose the following sanctions upon Applicants, Developers, Owners, consultants, management agents, contractors, and any other applicable Development Team member and/or entity for failure to perform or comply in accordance with the certified initial or final application or the policies and procedures of the Qualified Allocation Plan.

- **Fines:** Failure to comply or perform in accordance with the certified initial or final application or the policies and procedures of the Qualified Allocation Plan may result in a monetary fine.
- **Reduction of Credits:** Failure to comply or perform in accordance with the certified initial or final application or policies and procedures of the Qualified Allocation Plan may result in the reduction of credits.
- **Suspension and/or Debarment:** IHCDA may suspend a Development Team member who is suspected of misusing, abusing, or otherwise failing to use IHCDA resources properly, pending completion of an investigation. IHCDA may debar a Development Team member on reasonable evidence that the Development Team member has behaved or is behaving improperly with regard to IHCDA resources, whether intentionally or unintentionally. The difference between suspension and debarment is that a suspension is used to allow IHCDA to determine whether a debarment or other action is warranted pending completion

of an investigation. Therefore, a suspension is intended to be an indefinite but temporary measure until IHCDA determines whether debarment is appropriate. Upon determination that a Development Team member will be suspended, IHCDA will issue a written notice of the suspension. Following completion of the investigation, IHCDA will send the Development Team member a written notice of its final decision.

Part 7.13| Ongoing Reporting and Compliance

All Applicants that receive a RHTC allocation must comply with the Code and all requirements of *IHCDA's Rental Housing Tax Credit Compliance Manual,* as amended from time to time.

All Owners and Management Agents must list all IHCDA-funded properties in the Affordable Housing Database at www.indianahousingnow.org and must submit Annual Owner Certifications and tenant events through the IHCDA Online system.