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State of Indiana 2016 Action Plan

Allocation of CDBG, HOME, ESG and HOPWA

DRAFT REPORT

Draft Report

May 15, 2016

2016 Action Plan

Prepared for
State of Indiana
Indiana Office of Community and Rural Affairs
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2016 Annual Action Plan: CDBG, HOME, ESG, HOPWA

2016 Annual Action Plan: CDBG, HOME, ESG, HOPWA

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The State of Indiana is eligible to receive grant funds from the U.S. Department of Housing and Urban Development (HUD) to help address housing and community development needs. These grant funds include: the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA). The dollars are primarily meant for investment in the State's small cities and rural areas ("nonentitlement" areas), which do not receive such funds directly from HUD.

The Indiana Office of Community and Rural Affairs (OCRA) receives and administers CDBG. The Indiana Housing & Community Development Authority (IHCDA) receives and administers HOME, ESG and HOPWA.

As a condition for receiving HUD block grant funding, the State must complete a five-year strategic plan called a Consolidated Plan for Housing and Community Development (Consolidated Plan). The Consolidated Plan identifies the State's housing and community development needs and specifies how block grant funds will be used to address the needs.

This document, the 2016 Annual Action Plan, is the second action plan in the Consolidated Plan cycle. It describes how OCRA and IHCDA plan to allocate HUD block grant funds during the 2016 program year, which runs from July 1, 2016 through June 30, 2017.

2. Summarize the objectives and outcomes identified in the Plan

During the 2015-2019 strategic planning period, the top-level goals that will guide funding allocations include:

Goal 1. Expand and preserve affordable housing opportunities throughout the housing continuum.

Goal 2. Reduce homelessness and increase housing stability for special needs populations.

Goal 3. Promote livable communities and community revitalization through addressing unmet community development needs.

Goal 4. Promote activities that enhance local economic development efforts.

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The goals are not ranked in order of importance, since it is the desire of the State to allow each region and locality to determine and address the most pressing needs it faces.

To achieve the goals, the State will use a combination of federal and state funds and other public and private funds for project leveraging to address the priority housing and community development needs.

For the 2016 program year, the State proposes to allocate funding to the following activities. These are based on the 2015 match and may change once the actual block grant allocation amounts are known.

CDBG funds:

- $8 million for wastewater/drinking water improvements
- $4 million for the Stellar Communities program
- $3.5 million for storm water improvements
- $3.2 million for public facilities improvements
- $2.8 million for owner-occupied rehabilitation (allocated to IHCDA)
- $1.5 million for Main Street Revitalization Program
- $1.4 million for planning
- $1.4 million for blight clearance
- $1.25 million towards workforce development activities
- $660,000 for administration
- $280,000 for technical assistance
- Section 108 loan program—up to $80 million

CDBG-D funds:

- $5.34 million for comprehensive revitalization
- $1.1 million for owner occupied rehabilitation
- $2 million for multifamily housing
- $300,000 for the ramp program

HOME funds:

- $3.2 million for rental projects (competitive funding)
- $2.5 million for Rental Housing Tax Credit/HOME combos under the Qualified Allocation Plan
- $1 million for homeownership projects
- $1 million for Housing First projects
- $850,000 in administrative uses ($500,000 internal and $350,000 organizational capacity building)
- $500,000 for Tenant Based Rental Assistance (TBRA)
- $250,000 for CHDO operating and predevelopment

ESG funds:

- $1.9 million emergency shelters with operations and essential services
- $1.26 million rental assistance for rapid re-housing
- $138,915rental assistance associated with homeless prevention

- $90,00 outreach activities
- $163,659 for administration

HOPWA funds:

- $426,000 in TBRA
- $220,000 for housing information activities
- $138,000 for short-term rental, utilities and mortgage assistance
- $80,000 to support facility operations
- $16,850 for permanent housing placement
- $14,000 in direct services and program delivery

3. Evaluation of past performance

Both OCRA and IHCDA closely monitor the success of their programs funded with HUD block grants. Throughout the program year, OCRA and IHCDA consult with stakeholders to ensure that the programs developed with HUD block grant funds are meeting unmet needs and making the greatest impact. For this Action Plan, listening sessions were held in fall 2015, in advance of development of the Action Plan.

The State also considers leveraging opportunities and works to design its programs to work in concert with other funding streams to advance the State's strategic goals. For example, to end long-term homelessness, ESG funds will be required to work in coordination with Continuum of Care (CoC) funds to reduce the length of time people experiencing homelessness stay in shelters.

4. Summary of Citizen Participation Process and consultation process

The citizen participation and stakeholder consultation process for the 2016 Action Plan was extensive and included the following components:

Stakeholder survey—A survey to collect input on the Draft 2016 Action Plan was available to stakeholders from February 15 through March 31, 2016. This survey also collected information on social service, housing and community development needs in nonentitlement areas to compare with findings from past surveys and inform current and future planning.

Public comment period—A 45-day public comment period was held between February 15 and March 31, 2016. This comment period is longer than HUD requires (30 days) and was implemented in response to requests at the public hearings held for the 2015-2019 Consolidated Plan. Attendees at the 2015 public hearings wanted more time to review the new format of the annual plans.

The draft plan was posted on the IHCDA website beginning on February 15, 2016.

Public hearings—Public hearings on the Draft 2016 Action Plan were held in late March. Two hearings were held at different times of the day and broadcast throughout the State using video conferencing capabilities. Notifications of the hearings occurred two weeks prior though a Notice of Public Hearing on the IHCDA website and in local newspapers where the hearings were held.

These notifications reached more than 4,000 people.

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5. Summary of public comments

Public comments on the Draft 2016 Action Plan were received from February 15, 2016 through March 31, 2016.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments and views submitted during the 2016 Annual Action Plan comment period were accepted and considered in development of the final plan.

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PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name
Lead Agency	Office of Community and Rural Affairs
CDBG Administrator	Office of Community and Rural Affairs
HOPWA Administrator	Indiana Housing & Community Development Authority
HOME Administrator	Indiana Housing & Community Development Authority
HOPWA-C Administrator	Indiana Housing & Community Development Authority

Table 1 – Responsible Agencies

Consolidated Plan Public Contact Information

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AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

This section describes the consultation efforts undertaken to: 1) Coordinate the development of the annual plan with the efforts of housing providers, social service providers, health care providers and relevant government agencies; 2) Coordinate the development of the annual plan with Continuum of Care efforts; 3) Elicit public input.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

OCRA community liaisons, located throughout the State, help OCRA design and direct programs that are consistent with the goals and needs of local communities. Community liaisons facilitate meetings with local officials, state and federal agencies, and nonprofit agencies and service providers.

IHCDA offers training and webinars to partner organizations on topics ranging from program application requirements to funds management to weatherization courses. IHCDA maintains a Resource Center on its website with detailed manuals that instruct its partners on how to develop and administer programs. The Lt. Governor and IHCDA's My Community, My Vision pilot program encourages high school students to become involved in their communities by collaborating with local government officials and civic leaders to envision community development projects.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The IN-502 Continuum of Care (CoC) Board serves and acts as the oversight and planning body on preventing and ending homelessness for the CoC General Membership Body. The Board comprises a diverse set of geographically representative stakeholders with the knowledge and expertise to create policy priorities and make funding decisions related to homelessness. The CoC Board meets 10 times per year.

The CoC Board members represent populations in the homeless community, as well as subpopulations including chronically homeless, seriously mentally ill, chronic substance abusers, families, domestic violence survivors, youth and veterans. There are two representatives from the Regional Planning Councils on Homelessness across the Balance of the State.

The State ESG program presents their program plans to the CoC Board and in addition to the entitlement cities.

The Executive Committee provides governance of process and the structure of the CoC IN-502 general membership and CoC Board. They oversee the Memorandums of Agreement (MOA's) with IHCDA and provide the overall communications to the CoC IN-502.

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The Resource & Funding Committee oversees local, state, and federal funding for the CoC and seeks new opportunities for funding to end homelessness, such as Section 811 PRAD, McKinney Vento Competitive Applications and the Consolidated State Plan Application for the ESG funding. The Committee works with the Interagency Council, Indiana Department of Corrections, Family of Social Service Administration, Division of Mental Health and Addictions, Veterans Administration, Department of Education, and the Department of Child Services. The objective is to ensure integration of CoC and ESG under the same performance standards, meeting all the needs and gaps in the CoC.

The Performance & Outcome Committee oversees the Homeless Management Information System (HMIS) grant to provide oversight and help to develop, maintain, and update the statewide HMIS including the development and implementation of data protocols, reporting, policies and problem solving measures, and meeting all HUD benchmarks.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

In determining the ESG Allocation, a request for proposals is distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, to the current subrecipients of the ESG program and current permanent supportive housing rental assistance programs who have had experience with rental assistance. Each proposal is reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer completes a scoring tool, assigning points based on the following program design components: outreach system, systems coordination, organizational capacity, financial capacity, permanent housing placement strategy, performance (ESG RR/HP), history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable).

The performance standards for ESG were developed in conjunction with the governing body for the Balance of State CoC Board and the Funding & Resource Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act.

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2. Agencies, groups, organizations and others who participated in the process and consultations

ORCA and IHCDA consulted with a broad spectrum of nonprofit organizations, service providers, local governments, regional planning organizations and local elected officials. The public consultation process included listening sessions held in Greensburg, Marion, Monticello and Washington in October and November 2015. A total of 53 stakeholders participated in the listening sessions. For those unable to attend in person, an online survey was offered (135 stakeholders participated). The online survey replicated the need prioritization exercises conducted in the listening sessions. The agencies and organizations participating in the listening sessions are listed in Table 2 below. To preserve anonymity, the online survey did not require participants to name their organization. Rather, it captured the participant's role or organization type.

Among survey participants:

- One in five represent nonprofit organizations;
- One in five serve on local city councils;
- 16 percent are planning professionals;
- 8 percent are economic development professionals;
- 5 percent are county commissioners;
- 2 percent are mayors; and
- The remainder is comprised of township trustees, town managers, real estate professionals, county auditors or treasurers, school board members or serve on city/county councils or commissions.

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Table 2 – Agencies, groups, organizations who participated

Administrative Resources Association
Benton County Economic Development
City of Tell
City of Madison
City of Monticello
City of Washington
City of Vincennes
Decatur County
Economic Development Coalition of Southwest Indiana
Emmaus Mission
HAND, Inc.
Indiana Legal Services
Indiana State Department of Agriculture
Lincoln Hills Development Commission
Madison Indiana Area Arts Alliance
Marion County
Posey County Economic Development
Priority Project Resources
Purdue Extension
Southeast Indiana Regional Planning Commission
Star Development Inc.
Starke County Economic Development
Tipton County Economic Development
Town of DeMotte
Town of Dillsboro
Town of Elnora
Town of Hope
TRICAP
Visit Madison Inc.
White County Economic Development

Identify any Agency Types not consulted and provide rationale for not consulting

None; all agency types had the opportunity to participate in development of the 2016 Annual Action Plan through the open stakeholder survey, public comment period and regional public hearings.

NARRATIVE

Please see below.

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AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process, efforts made to broaden citizen participation and how it impacted goal-setting

The citizen participation process included listening sessions (4), an online survey to supplement the listening sessions and an online stakeholder survey (forthcoming). The listening sessions and stakeholder survey were promoted to any and all governments, nonprofit organizations, faith-based organizations, local and regional civic organizations, planning organizations, private sector housing providers and developers and any other interested stakeholder. Promotional efforts included flyers distributed to promote the in-person listening sessions as well as emails and web postings inviting stakeholders to participate in the surveys.

Each listening session began with introductory remarks about the Consolidated Plan and the Annual Plan process. As a group, participants discussed housing, infrastructure, economic development and quality of place needs locally. After discussion, the group created a list of priority needs or activities for each topic area and were directed to "vote" for their highest priorities by allocating six dots across the four categories. This voting exercise reflected each group's priorities for investment. The online survey replicated the voting process. Findings were consistent across communities and between the in-person priorities and those obtained online.

Housing priorities. In the in-person listening session, migrant farmer or seasonal farm worker housing and owner-occupied housing rehabilitation were the top housing priorities identified, followed by demolition of blighted housing, upper-story housing and market rate housing. With the exception of migrant farmworker housing, the housing priorities identified by online survey participants were strikingly similar—owner-occupied housing rehabilitation, affordable housing, demolition of blighted housing and upper-story housing. Among online survey participants, migrant farmworker housing was among the two lowest priorities. This reflects the regional and market-specific nature of many housing needs that may not be among the top priorities when viewed purely from a statewide priority perspective.

Infrastructure priorities. In both the listening sessions and the online survey, the top ranked infrastructure priority of stakeholders is sidewalk improvements. Road improvements, storm and wastewater improvements were among the top priorities for both groups of stakeholders. Bridges were the third highest priority for online survey stakeholders, an issue not found in the top priorities of in-person participants.

Economic development priorities. Workforce development and training, business attraction, business attraction, brownfield redevelopment and broadband internet were identified as the top economic development priorities by both in-person and online participants.

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Quality of life priorities. Top priorities for quality of life improvements were also remarkably similar between the in-person and online survey participants. These include: downtown revitalization, trails/connectivity of trails, façade improvements and parks.

The needs and priorities identified by stakeholders shaped the priorities developed for the annual action plan.

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Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Listening sessions	Housing and social service providers, community leaders, government officials in small cities and rural areas	53 in-person attendees representing more than 30 organizations and agencies; 135 online participants	Identified housing, infrastructure, economic development and quality of life needs and priorities/See narrative above for details	All comments were accepted	
2	Stakeholder survey	Housing and social service providers, community leaders, government officials in small cities and rural areas	Will be completed once survey closes (March 31, 2016)	Will be completed once survey closes (March 31, 2016)	All comments were accepted	https://www.research.net/r/IN2016ActionPlan
3	Public hearings	All interested residents and stakeholders	Will be completed after public hearings are held	Will be completed after public hearings are held	All comments were accepted	

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Notifications via social media, State agency websites, emails/listservs and in local newspapers	All interested residents and stakeholders. More than 4,000 people were notified.	N/A	N/A	N/A	www.in.gov/ihcda www.in.gov/ocra

Table 3 – Citizen Participation Outreach

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Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

This section shows the proposed allocation of CDBG, HOME, ESG, HOPWA and remaining CDBG Disaster Recovery (CDBG-D) funds for the 2016 Action Plan year. Anticipated funding levels for PY2016 are based on 2015 and may change once the actual block grant allocation amounts are known.

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Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	**Federal**	Admin and Planning Economic Development Housing Public Improvements Public Services	**$27,990,000**			**$27,990,000**	**$83,970,000**	
CDBG	**Federal**	Owner occupied rehab	**$2,700,000**			**$2,700,000**	**$8,100,000**	
HOME	**Federal**	Admin and Capacity Building Homebuyer assistance Housing first Multifamily rental new construction TBRA CHDO operating and predevelopment	**$9,300,000**			**$9,300,000**	**$26,900,000**	
ESG	**Federal**	Financial Assistance (shelter operations) Rapid re-housing (rental assistance) Prevention and outreach	**$3,636,500**			**$3,636,500**	**$10,900,000**	

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HOPWA	**Federal**	Financial assistance (facility operations) Housing information Permanent housing placement STRUM Supportive services TBRA	**$950,000**			**$950,000**	**$2,850,000**	
CDBG-D	**Federal, special disaster recovery funds**	Community revitalization, owner occupied rehab, multifamily development, ramp program	**$8,740,334**				**$1.4 million**	

Table 46 - Anticipated Resources

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Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Anticipated matches for PY2016 include the following. These are based on the 2015 match and may change once the actual block grant allocation amounts are known.

- $7.5 million from local government contributions on all CDBG projects,
- $655,000 in in-kind services match for ESG shelter operations projects,
- $1 million in in-kind services match for ESG RRH projects,
- $1.5 million in cash matches from ESG subrecipients,
- $600,000 in public funds for HOPWA projects (e.g., Ryan White, CDBG, supportive housing),
- $70,000 in private funds to support HOPWA projects (financial assistance, food pantries, Indiana AIDS fund),
- $22,000 cash match from subrecipients in assisting clients (in-kind).
- The HOME match will approximate $2 million, equal to 25 percent on HOME-funded projects.

OCRA match. Matching funds include local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds for CDBG projects is 10 or 20 percent of the total estimated project costs. This percentage is computed by adding the proposed CDBG grant amount and the local matching funds amount, and dividing the local matching funds amount by the total sum of the two amounts. The current definition of match includes a maximum of 5 percent pre-approved and validated in-kind contributions. The balance of the 10 percent must be in the form of either cash or debt. Any in-kind over and above the specified 5 percent may be designated as local effort. Grant funds provided to applicants by the State of Indiana are not eligible for use as matching funds.

IHCDA match. Recent influxes of program funding from the federal government, along with several new initiatives that expand IHCDA's vision and overall mission into more comprehensive developments, sometimes pose an issue with obtaining the required level of match/leveraging funds. IHCDA thus created a banked match pool, which is a collection of resources taken from closed HOME-funded projects that documented match in excess of the required 25 percent. These eligible sources of match are kept on record and may be used as match for future IHCDA-funded projects.

ESG match. ESG subrecipients are required to match 100 percent of the ESG award, and can include cash, grants and in-kind donations.

CDBG housing leverage. The State of Indiana requires 10 percent leverage for most CDBG funds. IHCDA recipients have used a variety of funding sources to meet this requirement, including Federal Home Loan Bank grants, Rural Development grants, contractor contributions, cash contributions and cash from local government general funds.

HOME match. The HOME program requires a 25 percent match, which is a federal requirement. Applicants must demonstrate eligible matching funds equal to 25 percent of the amount of HOME funds requested, less administration, environmental review and Community Housing Development Organization (CHDO) operating costs. If the applicant is proposing to utilize banked match for the activity and it is the applicant's own banked match, the match liability on the previous award for which the match was generated must already be met and documented with IHCDA for the match to be eligible as of the application due date. Only HOME-eligible match generated on IHCDA awards made in 1999 or later are eligible to be banked.

If an applicant is proposing to use another recipient's banked match for an activity, the applicant must provide an executed agreement with the application verifying that the recipient is willing to donate the match.

Only banked match from awards made in 1999 or later that have fully met their match liability are eligible to donate to another applicant. The award must be closed before the agreement to donate match is executed. Match cannot be sold or purchased and is provided purely at the discretion of the recipient that granted it.

Banked leverage generated on a CDBG award cannot be used as match on a future HOME award. Only banked match generated on a HOME award can be used on a future HOME award.

The HOME regulations outline the very specific types of HOME-eligible matching funds, and IHCDA must document expenditures of matching funds by individual sites. HOME recipients often use Federal Home Loan Bank grants, savings from below-market interest rate loans, and donations of property, as match for their HOME awards. Additionally, IHCDA documents the MRB financing used in the First Home program as a match.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

N/A.

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Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (estimated five year)
1	Improve Community Water and Wastewater Systems	2016	2017	Non-Housing Community Development		Creating livable and revitalized communities	CDBG $8 million	Other: 35 wastewater projects, 35 drinking water projects
2	Support Community Revitalization	2016	2017	Non-Housing Community Development		Local economic development	CDBG $4 million Stellar Communities, $1.4 Blight Clearance, $1.5 million Main Street Revitalization	Other: 15 Stellar Community projects, 25 Brownfield/Clearance projects, 10 Downtown Revitalization projects
3	Improve and Construct Public Facilities	2016	2017	Non-Housing Community Development		Local economic development	CDBG $3.2 million	Other: 35 projects
4	Improve Stormwater Systems	2016	2017	Non-Housing Community Development		Local economic development	CDBG $3.5 million	Other: 35 projects
5	Support Workforce Development	2016	2017	Non-Housing Community Development		Local economic development	CDBG $1.25 million	Other: 20 Workforce Development/Skills Training projects
6	Provide Planning Grants to Local Governments	2016	2017	Non-Housing Community Development			CDBG $1.4 million	Other: 200 Other
7	Support Community Capital Needs	2016	2017	Non-Housing Community Development			Section 108 Loan Program up to $80 million	Other

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (estimated five year)
8	Support Community Development Activities	2016	2017	Non-Housing Community Development			CDBG $660,000 administration; $280,000 Technical Assistance	Other
9	Create and Preserve Affordable Rental Housing	2016	2017	Affordable Housing		Provide affordable housing opportunities	HOME $3.2 million competitive rounds $2.5 million to support Rental Housing Tax Credits	Rental units constructed: 250 Rental Units rehabilitated: 250 Household Housing Units
10	Create and Preserve Affordable Owner Occupied Housing	2016	2017	Affordable Housing		Provide affordable housing opportunities	HOME $1 million	Homeowner Housing Added: 125 Household Housing Units
11	Preserve Affordable Owner-Occupied Housing, Improve Aging-in-Place and Visitable and Accessible Housing	2016	2017	Affordable Housing		Provide affordable housing opportunities	CDBG $2.7 million	Homeowner Housing Rehabilitated: 1,100 Household Housing Units
12	Build Nonprofit Housing Developer Capacity	2016	2017	Affordable Housing		Provide affordable housing opportunities	HOME $350,000	Other: 20 Other
13	Create Permanent Supportive Housing Opportunities	2016	2017	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	HOME $1 million	Housing First Support, 500 units supported

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (estimated five year)
14	Provide Tenant-Based Rental Assistance to Prevent Homelessness	2016	2017	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	$500,000	Tenant-based rental assistance / Rapid Rehousing: 500 Households Assisted
15	Support Housing Activities	2016	2017	Internal support			HOME $500,000	HOME program admin
16	Provide Operating Support for Shelters	2016	2017	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	ESG $1.9 million	50,000 adults and children served
17	Provide Rapid Re-Housing	2016	2017	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	ESG $1.26 million	Tenant-based rental assistance / Rapid Rehousing: 7,000 Households Assisted
18	Provide Outreach to Persons who are Homeless	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	ESG $90,000	1,000 adults and children served
19	Prevent Homelessness	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	ESG $139,000	Other: 1,000 Other
20	Support Homeless Activities	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	ESG $164,000	Other: Administration of program

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (estimated five year)
21	Assist HIV/AIDS Residents Remain in Housing—TBRA/Long Term Rental Assistance	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA, $426,250 TBRA	Tenant-based rental assistance / Rapid Rehousing: 580 Households Assisted
22	Assist HIV/AIDS Residents Remain in Housing--STRUM	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA, $137,707 rental/mortgage/utilities assistance	STRUM: 1,200 Households Assisted
23	Provide Housing Information and Placement Services	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA $220,475	Other: 900 Households Assisted
24	Support Facilities Serving HIV/AIDS Residents	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA $ 80,000	Other: 2,000 Households Assisted
25	Provide Services to HIV/AIDS Residents	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA $ 3,000	Other: 1,400 Households Assisted
26	Support Program Delivery--TBRA	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA $ 8,430	Other

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (estimated five year)
27	Support Program Delivery--STRUM	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA $2,905	Other
28	Permanent Housing Placement	2016	2017	Non-Homeless Special Needs		Reduce homelessness and improve stability	HOPWA $16,850	Other
29	Address Disaster Affected Community Needs	2016	2017	Non-Homeless Special Needs		Local economic development	CDBG-D $5.34 million for community revitalization activities	Other
30	CHDO Operating and Predevelopment	2016	2017	Affordable Housing		Provide affordable housing opportunities	HOME $250,000	Other

Table 47 – Goals Summary

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-25 Allocation Priorities – 91.320(d)

Introduction

This section lists the funding priorities for the 2016 program year. These priorities have not changed since the 2015 program year. Recommended allocations by program type have shifted slightly to reflect current needs. For example, an additional $250,000 is proposed for workforce development programs and $500,000 of funds from this program year will be allocated to TBRA, which was previously funded with carry-over.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The proposed funding allocation supports the five year goals of 1) Expanding housing opportunities across the affordable housing continuum; 2) Reducing homelessness and increasing housing stability; 3) Supporting community revitalization through infrastructure and public facility improvements and main street revitalization; and 4) Funding workforce development to support local economic development.

Community Development Priority Needs

Water, wastewater and storm water system improvements

Community revitalization

Public facility improvements

Workforce development

Housing Priority Needs

Low and very low income households

Support of comprehensive community development efforts

Developments that utilize existing infrastructure, buildings and/or parcels

Visitable homeowner housing

Housing that allows homeowners to age in place and is accessible for persons with disabilities

Housing that support families

Housing incorporating green building and energy efficiency

Projects that utilize minority-owned, women-owned and disadvantaged business enterprises

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Homeless and Special Needs

Assistance to homeless shelters for operations and essentials

Tenant based rental and rapid re-housing assistance

HOPWA only: Method of selecting project subrecipients

IHCDA will facilitate a request for qualifications (RFQ), advertised through the IHCDA website, to current HOPWA subrecipients, other HIV/AIDS service providers, mental health centers, community action agencies and Department of Health Care Coordination Sites. The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, financial capacity, performance goals, supportive services, and their proposed budget.

The Indiana Housing and Community Development Authority (IHCDA) is a HOPWA recipient/grantee supporting activities in areas of Indiana not supported by other HOPWA recipients/grantees.

Within the State of Indiana there are 12 HIV Care Coordination Regions as established by the Indiana State Department of Health (ISDH.) IHCDA tries to ensure that each region that does not already receive a portion of HOPWA funds from Indianapolis or neighboring states is provided with funding to assist persons who are living with HIV and/or AIDS and meet the poverty level requirements.

IHCDA expects to fund at least 7 subrecipients to cover all Regions that are not covered by other HOPWA funds.

REGION 1

Counties Served: Lake, Porter, LaPorte

REGION 2

Counties Served: St. Joseph, Elkhart, Starke, Marshall, Pulaski, Fulton

REGION 3

Counties Served: LaGrange, Steuben, Kosciusko, Noble, DeKalb, Whitley, Allen, Wabash, Huntington, Wells, Adams

REGIONS 4, 5, 6, and 9

Counties Served (Region 4): Newton, Jasper, Benton, White, Carroll, Warren, Tippecanoe, Clinton, Fountain, Montgomery

Counties Served (Region 5): Grant, Blackford, Jay, Delaware, Randolph

Counties Served (Region 6): Cass, Miami, Howard, Tipton

Counties Served (Region 9): Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, Ripley, Dearborn, Ohio

REGION 7*

Counties Served: Boone, Hamilton, Hendricks, Hancock, Marion, Morgan, Johnson, Shelby, Madison, Putnam, Brown. These counties are not served by State HOPWA grant because they are covered by Indianapolis HOPWA grant.

REGION 8

Counties Served: Vermillion, Parke, Putnam, Vigo, Clay, Sullivan

REGION 10

Counties Served: Owen, Greene, Monroe, Lawrence, Brown, Bartholomew

REGION 11

Counties Served: Jackson, Jennings, Jefferson, Switzerland, Crawford, Orange. In 2015, Washington, Scott, Clark, Floyd and Harrison counties were covered by Kentucky HOPWA program not by Indiana State HOPWA. We expect that it will occur in 2016 also.

REGION 12

Counties Served: Knox, Daviess, Martin, Gibson, Pike, Dubois, Posey, Vanderburgh, Warrick, Spencer, Perry

In the 2016 year, HOPWA will be utilizing HMIS on a regular basis as required and will be able to pull their Annual Performance Reports from the software system to assist in the final report (CAPER) that IHCDA has to provide at the end of the grant period.

HOPWA will not be utilized for capital issues such as acquisition, rehabilitation or construction of a project.

The RFQ applicants are required to:

- Be a non-profit organization
- Be a current Indiana State Department of Health Care Coordination Program Site
- Have no current unresolved findings with IHCDA or HUD
- Attend the Regional Planning Council on Homelessness or a subcommittee in 2014
- Provide a Certificate of Consistency for each area that the sub-recipient provides services to clients

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

The table below summarizes the Method of Distribution plans for CDBG, HOME, ESG and HOPWA. Specific MODs are appended to the 2016 Action Plan.

Table 4 - Distribution Methods by State Program

Distribution Methods

1	**State Program Name:**	CDBG
	Funding Sources:	State allocation of CDBG (anticipated to be $27.99 million, with $2.7 million for CDBG-OOR)
	Describe the state program addressed by the Method of Distribution.	The CDBG MOD discusses the allocation of funds to subrecipients within the State programs of: • Housing Owner-Occupied Rehab (also in IHCDA MOD), • Stellar Communities, • Planning Fund, • Main Street Revitalization, • Wastewater/Drinking Water Improvements Program, • Blight Clearance, • Public Facilities Program, • Storm Water Systems Program • Workforce Development and • Section 108.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Program criteria vary. In general, applications are accepted and awards are made on a competitive basis throughout the program year. Criteria to select applications are located in Attachments to the CDBG MOD.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Please see the attached MOD.

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	Describe how resources will be allocated among funding categories.	For the 2016 program year, the $27.99 million expected CDBG funding will be allocated among the following programs: • Stellar Communities Program—$4 million • Planning Fund—$1.4 million • Main Street Revitalization—$1.5 million • Wastewater/Drinking Water Improvements Program—$8 million • Blight Clearance--$1.4 million • Public Facilities Program--$3.2 million • Storm Water Systems Program--$3. 5million • Workforce Development (new)—$1.25 million An additional $280,000 will be used for technical assistance and $660,000 will be allocated to cover administrative costs associated with the programs. The Section 108 program could lend up to $80 million.
	Describe threshold factors and grant size limits.	Please see the program specific grant limits and factors located in the CDBG MOD.
	What are the outcome measures expected as a result of the method of distribution?	The expected outcomes vary by program; full details are contained in the CDBG MOD. For example, the Stellar Communities Program will make grants to communities for comprehensive revitalization strategies. In these strategies, communities will identify areas of interest and types of projects, produce a schedule to complete the projects, produce cost estimates, identify local match amounts and additional funding, indicate the level of community impact and describe the significance each project will have on the overall revitalization of the town/city. These strategies will be used to produce a three-year community investment plan to identify capital and quality of life projects to be completed.
2	**State Program Name:**	CDBG--OOR
	Funding Sources:	$2.8 million in CDBG
	Describe the state program addressed by the Method of Distribution.	This program consists of CDBG funding that is allocated to IHCDA for administration of an owner occupied rehabilitation program (OOR).
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Scoring is located in the final portion of the OOR MOD. In sum, each application is evaluated based on: Project characteristics (12 points), Readiness (8 points), Capacity (21 points), Financing (12 points) and Unique features and completeness bonus (10 points). The scoring incorporates points for projects that serve below 30% and 40% AMI households and persons with disabilities..

OMB Control No: 2506-0117 (exp. 07/31/2015)

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Please see the attached MOD for the CDBG-OOR program.
	Describe how resources will be allocated among funding categories.	$2.8 million of CDBG is allocated to IHCDA to use for owner occupied rehabilitation of units occupied by low and very low income households.
	Describe threshold factors and grant size limits.	The maximum request amount per application is $350,000. Funds must not exceed $25,000 per unit. All subsidies are secured through an affordability period. Detailed subsidy limitations and eligible activity costs are located on page 10 of the CDBG OOR MOD.
	What are the outcome measures expected as a result of the method of distribution?	The OOR program is designed to improve the quality of existing housing stock in Indiana through owner occupied rehabilitation of properties occupied by low and very low income households. Secondary benefits will include neighborhood revitalization, enabling seniors to age in place, providing accessible, quality housing for persons with disabilities, promoting healthy families and improving energy efficiency in housing.
3	**State Program Name:**	ESG
	Funding Sources:	State allocation of ESG, anticipated to be $3,636,500
	Describe the state program addressed by the Method of Distribution.	Funding through the Emergency Solutions Program assists persons and families who are homeless find shelter, avoid homelessness and transition into permanent housing.

OMB Control No: 2506-0117 (exp. 07/31/2015)

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	IHCDA plans to allocate funding to approximately 8-10 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration. There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one to two agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available.
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	Please see above.

OMB Control No: 2506-0117 (exp. 07/31/2015)

	Describe how resources will be allocated among funding categories.	No more than the maximum allowed of 60 percent of ESG funds will be allocated to operations, essentials and street outreach.
	Describe threshold factors and grant size limits.	The amount of each award could be between $50,000 - $350,000
	What are the outcome measures expected as a result of the method of distribution?	The ultimate goal of ESG is to prevent homelessness and assist families and individuals experiencing homelessness to find housing as quickly as possible. Please see the ESG MOD for the performance standards expected of ESG subrecipients.
4	**State Program Name:**	HOME
	Funding Sources:	State allocation of HOME, expected to be $9,300,000
	Describe the state program addressed by the Method of Distribution.	HOME Partnership Investments Program, which is used to fund affordable rental unit construction and rehabilitation, provide down payment assistance to homebuyers, develop affordable owner occupied housing, rehabilitate owner occupied housing, assist special needs and homeless residents with housing needs (including through Tenant-Based Rental Assistance) and support the work of CHDOs.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Scoring appears in the HOME MODs for rental and homeownership programs. In sum, each application is evaluated based on: Project characteristics (33 points for rental; 24 points for homebuyer), Development features (27 points for rental; 28 points for homebuyer), Readiness (9 points for rental; 10 for homebuyer), Capacity (25 points for rental; 27 points for homebuyer), Financing (10 points for rental; 12 points for homebuyer) and Unique features and completeness bonus (10 points). The scoring incorporates points for accessibility and visitability features in housing developments.
	Describe how resources will be allocated among funding categories.	Please see AP-20 for how HOME funding will be allocated among program categories.

OMB Control No: 2506-0117 (exp. 07/31/2015)

	Describe threshold factors and grant size limits.	The maximum request amount per application is $750,000 for both rental and homebuyer projects. HOME funds used for acquisition, rehabilitation, new construction, program delivery, relocation, rent-up reserve, and developer's fee combined cannot exceed: $57,000 for a studio, $65,000 for a 1 bedroom unit, $79,000 for a 2 bedroom unit, $101,000 for a 3 bedroom unit and $1111,000 for a 4+ bedroom unit. The minimum amount of HOME funds to be used for rehabilitation or new construction is $1,001 per unit. HOME funds cannot be used for reserve accounts for replacement or operating costs, but may be used as a Rent-Up Reserve. Lead hazard and homebuyer counseling are limited to $1,000 per homeowner/buyer.
	What are the outcome measures expected as a result of the method of distribution?	Actual outcomes will depend on the types of applications received. All programs have the same goal of improving the quality of existing housing stock in Indiana.
5	**State Program Name:**	HOPWA
	Funding Sources:	State allocation of HOPWA, expected to be $952,000
	Describe the state program addressed by the Method of Distribution.	Housing Opportunities for Persons with HIV/AIDS assists persons with HIV and/or AIDS and who also have an income below 80% of AMI with housing placement and rental subsidies.

OMB Control No: 2506-0117 (exp. 07/31/2015)

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds: • Required to be a non-profit organization • Required to be a current Indiana State Department of Health Care Coordination Site. • Previous experience providing HOPWA assistance. • Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region. • No current outstanding findings with HUD or IHCDA.
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	Please see above. By having all subrecipients to be current Indiana State Department of Health - Care Coordination Site, we are providing a one stop shop for persons to access level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services and housing if needed.
	Describe how resources will be allocated among funding categories.	Funds will be made available in the following percentages of the total awards made to project sponsors: • At least 60 percent to direct housing assistance: long-term rental assistance, short term rental assistance, and facility based operations; • No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; • No more than 35 percent to housing information and permanent housing placement activities; • No more than 35 percent to supportive services that positively affect recipients' housing stability

OMB Control No: 2506-0117 (exp. 07/31/2015)

	Describe threshold factors and grant size limits.	Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7 and parts of Region 11, it was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region (for example, homeless men in Lake County), IHCDA will work with the regional subrecipient to tailor services to meet the needs of the population. In instances where the subrecipient cannot meet these needs, the subrecipient will have the ability to sub-grant a portion of its HOPWA award to another service provider.
	What are the outcome measures expected as a result of the method of distribution?	For HOPWA, IHCDA will use the following indicators to measure subrecipient's ability to achieve the desired outcomes: • Rental Assistance households/units • Short-term rent, mortgage and utility assistance households/units • Facility based housing operations support units • Housing information services households • Permanent housing placement services households • Supportive services - households

Table 50 - Distribution Methods by State Program

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-35 Projects – (Optional)

This section does not apply to state Annual Action Plans.

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-38 Project Summary

Project Summary Information

For the 2016 program year, the State proposes to allocate funding to the following activities. These are based on the 2015 match and may change once the actual block grant allocation amounts are known.

CDBG funds:

- $8 million for wastewater/drinking water improvements
- $4 million for the Stellar Communities program
- $3.5 million for storm water improvements
- $3.2 million for public facilities improvements
- $2.8 million for owner-occupied rehabilitation (allocated to IHCDA)
- $1.5 million for Main Street Revitalization Program
- $1.4 million for planning
- $1.4 million for blight clearance
- $1.25 million towards workforce development activities
- $660,000 for administration
- $280,000 for technical assistance
- Section 108 loan program—up to $80 million

CDBG-D funds:

- $5.34 million for comprehensive revitalization
- $1.1 million for owner occupied rehabilitation
- $2 million for multifamily housing
- $300,000 for a new ramp program

HOME funds:

- $3.2 million for rental projects (competitive funding)
- $2.5 million for Rental Housing Tax Credit/HOME combos under the Qualified Allocation Plan
- $1 million for homeownership projects
- $1 million for Housing First projects
- $850,000 in administrative uses ($500,000 internal and $350,000 organizational capacity building)
- $500,000 for Tenant Based Rental Assistance (TBRA)
- $250,000 for CHDO operating and predevelopment

ESG funds:

- $1.9 million emergency shelters with operations and essential services
- $1.26 million rental assistance for rapid re-housing
- $138,915rental assistance associated with homeless prevention

- $90,00 outreach activities
- $163,659 for administration

HOPWA funds:

- $426,000 in TBRA
- $220,000 for housing information activities
- $138,000 for short-term rental, utilities and mortgage assistance
- $80,000 to support facility operations
- $16,850 for permanent housing placement
- $14,000 in direct services and program delivery

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help nonentitlement units of general local government to apply for Section 108 loan funds? Yes.

Available Grant Amounts

Full program description can be found with the Method of Distribution for CDBG.

The State of Indiana operates a Section 108 loan funds program, the State of Indiana Community Enhancement and Economic Development Loan Program. The program is administered by OCRA and IHCDA.

Acceptance process of applications

Full program description can be found with the Method of Distribution for CDBG.

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies? Indiana does not fund local Community Strategy Areas; however, the State does have a number of programs that invest in community revitalization. These are discussed below.

Local Government Revitalization Initiatives

Please see the CDBG MOD and the new Section 108 Loan Program for more information about the State's programs to conduct community enhancement and economic development activities.

The Stellar Communities Program, funded with CDBG, makes available funds for a three-year revitalization strategy that will leverage unified State investment and funding from the partnering agencies to complete projects comprehensively. In the revitalization strategy, communities will identify areas of interest and types of projects; produce a schedule to complete projects; produce cost estimates; identify local match amounts, sources, and additional funding resources; indicate the level of community impact; and describe the significance each project will have on the overall comprehensive revitalization of the community. From this revitalization strategy, communities will produce a three-year community investment plan which will identify capital and quality of life projects to be completed during that period.

Evaluation and selection of the final two communities to the Stellar Communities Program will be based on:

- Completion of a Summary of Comprehensive Community Revitalization Strategy
- Identification of at least one project to be completed in each of the 3 program years. The total number of projects is solely limited to the community's ability to successfully complete each project;
- Documentation of all project cost estimates, local match amounts and sources, and additional funding resources.
- Completion of the site visit checklist from the resource team.
- Documentation and support for the level of need for each project and the significance of each project in the overall revitalization efforts within the community;
- Explanation of the capacity of the applicant to administer the funds; and
- Description of the long-term viability of the strategic community investment plan.

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State of Indiana does not prioritize the allocation of CDBG, HOME or ESG geographically. Instead, the State identifies the greatest needs for the State and nonentitlement areas overall and this information is used to guide the funding priorities for each program year. For local needs, the State relies on the information presented in block grant program funding applications.

OCRA does include a component of scoring in their CDBG applications where the low and moderate income percentage is a weighted score; a higher percentage of low and moderate income will yield a higher score. IHCDA includes a preference for application that attempts to reach low- and very low-income levels of area median income.

ESG allocates emergency shelter and rapid re-housing activities statewide. Homeless prevention and outreach activities are more targeted geographically.

The HOPWA grant does rely on a geographic allocation, determined through the Continuum of Care regions because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7 and some counties of Region 11. It was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region (for example, homeless men in Lake County), IHCDA will work with the regional subrecipient to tailor services to meet the needs of the population. In instances where the subrecipient cannot meet these needs, the subrecipient will have the ability to sub-grant a portion of its HOPWA award to another service provider.

Rationale for the priorities for allocating investments geographically

Previously the responsibility for deciding how to allocate funds geographically has been at the agency level. The State has maintained this approach, with the understanding that the program administrators are the most knowledgeable about where the greatest needs for the funds are located. Furthermore, the State understands that since housing and community development needs are not equally distributed, a broad geographic allocation could result in funds being directed away from their best use.

OMB Control No: 2506-0117 (exp. 07/31/2015)

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

The following affordable housing goals are based on the 2015 funding amounts and may be modified once 2016 funding is known.

One Year Goals for the Number of Households to be Supported
Homeless—11,000 adults and children
Non-Homeless—Rental assistance and prevention activities through ESG 1,500; through HOPWA, 300
Special-Needs—650 residents with HIV/AIDS
Total

Table 5 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through
Rental Assistance—Rental assistance and prevention activities through ESG 1,500; through HOPWA, 300
The Production of New Units—TBD by applications
Rehab of Existing Units—TBD by applications
Acquisition of Existing Units—TBD by applications

Table 6 - One Year Goals for Affordable Housing by Support Type

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-60 Public Housing - 24 CFR 91.320(j)

This section describes IHCDA's efforts as a public housing authority to improve the needs of renters receiving public housing subsidies.

Actions planned during the next year to address the needs to public housing

The State does not own or operate public housing units. IHCDA will continue the Section 8 Housing Choice Voucher Program (HCVP) Family Self Sufficiency Program (FSS), launched during the spring of 2013. FSS is designed to enable families to achieve economic independence and self-sufficiency. By linking the Section 8 HCVP vouchers with the help of both private and public resources, families are able to receive job training, educational services and other much needed assistance over a five year period. The goal is to eliminate the family's need for public assistance and enhance their ability to achieve homeownership, if desired.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

N/A; the State does not own or operate public housing developments.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

IHCDA is a High Performing Section 8 Only PHA.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

This section discusses 2016 program year activities that will benefit persons who are homeless and special needs populations.

Describe one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The State relies on its partners to conduct outreach to persons who are homeless, assess their needs and communicate these needs to the State. To that end, the State will:

- Require all HUD McKinney Vento Funded programs to utilize HMIS for all shelter or transitional housing or permanent supportive housing programs serving homeless individuals and families.
- Require all HUD McKinney Vento Funded programs to participate in the annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to IHCDA.
- Require all HUD McKinney Vento Funded programs subrecipients actively participate in their Regional Planning Council on the Homeless meetings regularly (minimum 75% attendance).
- Require all HUD McKinney Vento Funded programs to participate in the Coordinated Access in their Region as it is implemented in their area.

Addressing the emergency shelter and transitional housing needs of homeless persons

In addition to the allocation of ESG to meet the needs of persons who are homeless (see AP-20), emergency shelter and transitional housing needs are addressed through the ESG's participation in their local Regional Planning Council on Homeless in their Region but also through each Committee under the CoC Board. The Committees have been updated by the new CoC Board. They are: Executive Committee, Resources and Funding Committee, Strategic Planning Committee, Performance and Outcomes Committee and Ad Hoc Committees as needed. The State ESG program is part of the work of each committee in some way or another.

The strategic objectives of the CoC Board are:

- Decrease shelter stays by increasing rapid rehousing to stable housing.
- Reduce recidivism of households experiencing homelessness.
- Decrease the number of Veterans experiencing homelessness.
- Decrease the number of persons experiencing Chronic Homelessness.

- Create new permanent supportive housing beds for chronically homeless persons.
- Increase the percentage of participants remaining in CoC funded permanent housing projects for at least six months to 86 percent or more.
- Decrease the number of homeless households with children.
- Increase the number of rental assistance programs and services.
- Increase the percentage of participants in ESG-funded rental assistance programs that move into permanent housing to 82 percent or more.
- Increase the percentage of participants in all CoC funded transitional housing that move into permanent housing to 70 percent or more.
- Increase the percentage of participants in CoC funded projects that are employed at exit to 38 percent or higher.
- Increase persons experiencing homelessness access to mainstream resources.
- Collaborate with local education agencies to assist in the identification of homeless families and inform them of their eligibility for McKinney-Vento education services.
- Improve homeless outreach and coordinated access to housing and services.
- Improve HMIS data quality and coverage, and use data to develop strategies and policies to end homelessness.
- Develop effective discharge plans and programs for individuals leaving State Operated Facilities at risk of homelessness.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Please see above.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Please see above.

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-70 HOPWA Goals – 91.320(k)(4)

Goals for the 2016 year:

The grantee/recipient plan for the subrecipients to serve at least this number of households utilizing HOPWA:

- Tenant Based Rental Assistance/Long Term Rental Assistance: approximately 90
- Permanent Housing Placements: approximately 12
- Transitional/Short Term: approximately 19
- Short Term Rental, utilities and Mortgage assistance: approximately 180
- Supportive Services: approximately 292
- Housing Information: approximately 105

Total HOPWA beneficiaries (this includes those with HIV/AIDS and their family members): 655

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-75 Barriers to affordable housing – 91.320(i)

The State of Indiana is in the process of completing its statewide Analysis of Impediments to Fair Housing Choice (AI) to more directly address HUD's current expectations of AIs.

Stakeholders, residents and public housing authorities were asked about barriers to housing choice in the surveys they completed for the 2015-2019 Consolidated Plan. These surveys will also be an important part of the AI. The most commonly mentioned barriers identified included:

- Cost of housing,
- Lack of rental units affordable to households earning less than 30 percent of AMI (rental units with rents below $500/month),
- Lack of fair housing knowledge among small landlords,
- Limited fair housing resources and trainings in rural areas.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The strategies to remove or ameliorate barriers to housing choice will be part of the Fair Housing Action Plan in the State AI.

OMB Control No: 2506-0117 (exp. 07/31/2015)

AP-85 Other Actions – 91.320(j)

This section describes a variety of other efforts the State will continue during the program year to help address housing and community development needs.

Actions planned to address obstacles to meeting underserved needs

The State faces a number of obstacles in meeting the needs outlined in the five-year Consolidated Plan:

- Housing and community needs are difficult to measure and quantify on a statewide level. The Consolidated Plan uses both qualitative and quantitative data to assess statewide needs. However, it is difficult to reach all areas of the State in one year, and the most recent data in some cases are a few years old. Although the State makes a concerted effort to receive as much input and retrieve the best data as possible, it is also difficult to quantify local needs. Therefore, the State must rely on the number and types of funding applications as a measure of housing and community needs.

- The ability of certain program dollars to reach citizens is limited by the requirement that applications for funding must come from units of local government or nonprofit entities. If these entities do not perceive a significant need in their communities, they may not apply for funding.

- Finally, limitations on financial resources and internal capacities at all levels can make it difficult for the State to fulfill the housing and community development needs of its many and varied communities.

To mitigate these obstacles the State will continue to provide training for the application process associated with the HUD grants to ensure equal access to applying for funds, and continually review and update its proposed allocation with current housing and community development needs, gathered through the citizen participation plan and demographic, housing market and community development research.

Actions planned to foster and maintain affordable housing

The primary activities to foster and maintain affordable housing are the State's CDBG and HOME funded activities that include the production of new units, homeownership opportunities, home rehabilitation and capacity support for affordable housing developers. Through the CDBG Program, IHCDA seeks to improve the quality of existing housing stock in Indiana. This program is designed to give preference in allocating Community Development Block Grant Owner-Occupied Repair (CDBG OOR) funding among selected developments that meet IHCDA's goals:

1. Demonstrate they are meeting the needs of their specific community.
2. Attempt to reach low and very low-income levels of area median income.
3. Are ready to proceed with the activity upon receipt of the award.
4. Revitalize existing neighborhoods, preferably with a comprehensive approach as part of

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a published community revitalization plan.

5. Propose projects that promote aging in place strategies for seniors, families with seniors, and persons with disabilities.
6. Propose projects that promote healthy family strategies for families with children under the age of 18.
7. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.

Applicants of IHCDA's programs and funds are encouraged to engage in an array of activities necessary to attain the solutions desired by a community, such as:

- Pre-development and seed financing—limited to eligible nonprofits;
- Operating capacity grants—a limited to eligible nonprofits;
- Permanent Supportive Housing–limited to participants in the Indiana Permanent Supportive Housing Institute;
- Rental assistance;
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of rental housing;
- Homeownership counseling and down payment assistance;
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of homebuyer housing; and
- Rehabilitation, modification, and energy improvements to owner-occupied housing.

Additionally the State utilizes other programs (summarized earlier in this section) to help foster and maintain affordable housing and include:

- Affordable Housing and Community Development Fund;
- Indiana Foreclosure Prevention Network;
- Low Income Housing Tax Credits (LIHTC); and
- Section 8 voucher program.

Actions planned to reduce lead-based paint hazards

Lead-based paint hazards will primary be addressed through CDBG and HOME funded rehabilitation activities.

Actions planned to reduce the number of poverty-level families

The State of Indiana does not have a formally adopted statewide anti-poverty strategy. In a holistic sense, the entirety of Indiana's Consolidated Plan Strategy and Action Plan is anti-poverty related because a stable living environment is also a service delivery platform. However, many of the strategies developed for the 2015-2019 Consolidated Plan directly assist individuals who are living in poverty.

Indiana has a history of aggressively pursuing job creation through economic development efforts at the State and local levels. This emphasis on creating employment opportunities is central to a strategy to reduce poverty by providing households below the poverty level with a means of gaining sustainable employment.

Other efforts are also needed to combat poverty. Many of the strategies outlined in the Consolidated Plan are directed at providing services and shelter to those in need. Once a person has some stability in a housing situation, it becomes easier to address related issues of poverty and provide resources such as childcare, transportation and job training to enable individuals to enter the workforce. Indiana's community action agencies are frontline anti-poverty service providers. They work in close cooperation with State agencies to administer a variety of State and federal programs.

Education and skill development are an important aspect of reducing poverty. Investment in workforce development programs and facilities is an essential step to break the cycle of poverty. Finally, there continue to be social and cultural barriers that keep people in poverty. Efforts to eliminate discrimination in all settings are important. In some cases, subsidized housing programs are vital to ensure that citizens have a safe and secure place to live.

The State also utilizes the Section 3 requirement (a provision of the Housing and Urban Development Act of 1968). Section 3 applies to employment opportunities generated (jobs created) as a result of projects receiving CDBG or HOME funding through ORCA or IHCDA, whether those opportunities are generated by the award recipient, a subrecipient, and/or a contractor. The requirements of Section 3 apply to all projects or activities associated with CDBG or HOME funding, regardless of whether the Section 3 project is fully or partially funded with CDBG/HOME. A detailed description of Section 3 requirements is included in OCRA/IHCDA's

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award manual. A notice of Section 3 requirements is included in bid solicitations and is covered during the award trainings.

Actions planned to develop institutional structure.

During PY2016, the State intends to continue current practices of providing planning grants, technical assistance and training, regional workshops and access to community liaisons and regional representatives.

Actions planned to enhance coordination between public and private housing and social service agencies.

Please see above.

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Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan
3. The amount of surplus funds from urban renewal settlements
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.
5. The amount of income from float-funded activities

Total Program Income

Other CDBG Requirements

1. The amount of urgent need activities

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows: *N/A*

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Homebuyer Resale Provisions

The recipient must implement resale requirements for every homebuyer property constructed, redeveloped, rehabilitated, or acquired, in whole or in part, with HOME funds in the form of a development subsidy. The development subsidy consists of the difference between the cost of producing the unit and the market value of the property.

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If the homebuyer no longer occupies the property as its primary residence, the property: (1) must be resold to another individual or family; who meets the Affordability Requirements; and, (2) must be resold at a price that does not exceed twenty-nine percent (29 %) of that individual's or family's gross income towards the principal, interest, taxes and insurance for the property on a monthly basis ("Affordable Price"). The homebuyer must resale the property within six (6) months of the date it fails to occupy the property as its primary residence.

The homebuyer is entitled to a fair return on its investment (as described below) upon the sale of the property. The fair return will be based on the percentage change in the Consumer Price Index for All Urban Consumers Owners' Equivalent Rent of Primary Residence category in Table I of the CPI Detailed Report (the "CPI Index") during the period of the homebuyer's ownership of the property.

Accordingly, the CPI Index during the month the residence was completed (the month during which the completion reports were received by and approved by IHCDA) will be compared to the CPI Index during the month the homebuyer sells the residence to determine the percentage of the return. The homebuyer's investment will include any down payment, plus any capital improvements.

A capital improvement is any property enhancement that increases the overall value of the property, adapts it to new uses, or extends its life. Any capital improvement will be valued based on actual cost as documented by the homebuyer's itemized receipts, submitted to, and approved by IHCDA. Allowable capital improvements could include: room additions, bathrooms, family room); refurbishment/modernization of kitchen or bathrooms (limited to built-in new appliances, cabinets or flooring); addition of porches or decks; installation of central air condition or new heating equipment; major re-plumbing or upgrading or electrical service; insulation; a new driveway; landscaping; or sprinkler system. Generally, replacing worn or dated components such as appliances or carpet would not be considered an improvement that adds value or adapts it to new uses.

In certain circumstances, such as a declining housing market where home values are depreciating, the homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price and a loss on investment may constitute a fair return. The property cannot be sold for a price higher than indicated above.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property. In accordance with CPD Notice

12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Resale Agreement.

In accordance with CPD Notice 12-003, if a HOME-assisted property is foreclosed upon, sold or the homebuyer is no longer using the property as its principal residence and the affordability requirements are not preserved by a subsequent purchaser at a reasonable price by a low-income homebuyer who will use the property as its principal residence, and agree to assume the remainder of the original affordability period, the recipient must repay the ENTIRE amount of HOME funds invested in the property.

Homebuyer Recapture Guidelines

The recipient must implement recapture restrictions for any homebuyer property purchased, in whole or in part, by a homebuyer that received a direct subsidy from the recipient in an amount greater than or equal to One Thousand and One and 00/100 Dollars ($1,001) from HOME funds. A homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase.

If the homebuyer no longer utilizes the property as its principal residence during the Affordability Period defined below, the amount to be recaptured is the shared net proceeds of a prorated amount of the homebuyer subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the Affordability Period. If there is both a development subsidy and a homebuyer subsidy or just a homebuyer subsidy, a recapture provision must be implemented. In cases where a homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property. In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Recapture Agreement.

If the homebuyer sells the property or the property is foreclosed upon during the term of the

Affordability Period, the amount to be recaptured is the shared net proceeds of a prorated amount of the homebuyer subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the affordability period. Any net proceeds that exist will be shared between IHCDA and the homebuyer. If there are not any proceeds, there is no amount to recapture.

The net proceeds are the total sales price minus all loan and/or lien repayments. The net proceeds will be split between the IHCDA recipient and borrower as outlined according to the forgiveness schedule contained in IHCDA's *CDBG and HOME Program Manual.*

If there is both development subsidy and homebuyer subsidy or just homebuyer subsidy, a recapture provision must be implemented. In cases where a homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

In cases of non-compliance, 1) the original homebuyer no longer occupies the unit as his or her principal residence (i.e., unit is rented or vacant), or 2) the home was sold during the affordability period and the recapture provisions were not enforced the entire amount of the HOME funds invested in the property must be repaid.

Under recapture guidelines the Affordability Period is based upon the total amount of the homebuyer subsidy that the homebuyer received in HOME funds.

For owner-occupied rehabilitation, of the homebuyer no longer utilizes the property as its principal residence during the affordability period, the amount to be recaptured is a prorated amount of the subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the Affordability Period. However, if the homeowner sells the property to another a low-income family that will use the property as its principal residence throughout the remainder of the affordability period, the homeowner will not be required to repay the funds. The term “low income family” shall mean a family whose gross annual income does not exceed eighty percent (80%) of the median family income for the geographic area published annually by HUD.. The recipient must execute a lien and restrictive covenant prepared by IHCDA. The recipient must use the lien and restrictive covenant agreement contained in the award package for each particular award. The recipient may not use old liens from previous awards. The recipient is ultimately responsible for repaying IHCDA any CDBG or CDBG-D funds invested into any unit that does not meet the affordability requirements throughout the Affordability Period. The Affordability Period is based upon the total amount of CDBG or CDBG-D funds invested into the unit as shown in the chart above.

(IHCDA CDBG & HOME Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15).

1. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Each recipient of a HOME award must ensure that a lien and restrictive covenant is executed and recorded against every property constructed, rehabilitated, or acquired, in whole or in part, with HOME funds. Upon the occurrence of any of the following events during the Affordability Period, the entire sum secured by the lien shall be due and payable by developer and/or owner upon demand.

Repayment may be demanded upon: (1) Transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the Affordability Period; (2) Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the Affordability Period; (3) The real estate no longer meets the property standards set forth in 24 CFR 92.251; (4) HOME-assisted units are not being used by qualifying tenants as their principal residence (5)

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

The recipient of the HOME award will be responsible for repaying IHCDA any HOME funds utilized for any housing constructed, rehabilitated, or acquired that does not remain affordable and in compliance in accordance with 24 CFR 92.252 for the entire Affordability Period. The Affordability Period is based upon the total amount of HOME funds invested into the unit as defined in the chart above. (IHCDA Compliance Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15).

2. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows: N/A

Emergency Solutions Grant (ESG)
Reference 24 CFR 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

The funding allocation for 2016 will support the goals:

- Reduce homelessness and increase stability for special needs populations.
- Expand and preserve affordable housing opportunities throughout the housing continuum.

The rationale for assigning the funding priorities was largely based upon HUD's national focus and priority on rapid re-housing and homeless prevention activities.

Written Standards for Provision of ESG Assistance

This section includes written standards for providing the proposed assistance and describes the requirements for subrecipients to establish and implement written standards.

1) ***Describe the standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.***

ESG subrecipients serve households experiencing literal homelessness as defined by under paragraph (1) of the "homeless" definition in 24 CFR § Part 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other palace described in paragraph (1) of the "homeless "definition are encouraged to utilize the Arizona Matrix Tool that is embedded in HMIS as well as completion of a Housing Plan to provide a guide for case management and evaluated a person or family's needs.

2) Describe the policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

ESG subrecipients are expected to create MOU's with all shelter providers, housing agencies, community action agencies, township trustees, mental health centers, health clinics and homeless service providers in their proposed service area. Once available in their area, each ESG sub-recipient will be required to partner with the Coordinated Access point by providing immediate housing to those persons who are unsheltered, if space is available. Additionally, as part of the proposal process, subrecipients are required to develop a program design that is inclusive not only of other targeted homeless services, but also of other mainstream resources such as public housing programs, programs receiving project-based or tenant-based Section 8, Supportive Housing for persons with disabilities (Section 811), HOME Investment Partnerships Program, Temporary Assistance for Needy Families (TANF), State Children's Health Insurance Program, Head Start, Mental Health and Substance Abuse Block Grants and services funded under the Workforce Investment Act. IHCDA encourages programs to be strategic and comprehensive in their program design by requiring applicants to include all available resources to the maximum extent practicable.

3) Describe the policies and procedures for determining and prioritizing which eligible families and individuals for homelessness prevention assistance and for rapid re-housing assistance.

For persons who are utilizing Rapid Rehousing Funds must: meet the criteria under paragraph (1) of the "homeless" definition in 24 CFR § Part 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other palace described in paragraph (1) of the "homeless "definition are eligible to receive rapid re-housing assistance.

Those persons who will be utilizing homeless prevention funds must: meet the criterion under the interim rule clarifies the definition of ''at risk of homelessness'' under section 401(1) of the McKinney-Vento Act. The definition includes three categories under which an individual or family may qualify as ''at risk of homelessness.'' For an individual or family to qualify as ''at risk of homelessness'' under the first category of the definition, the individual or family must meet two threshold criteria and must exhibit one or more specified risk factors. The two threshold criteria, as provided in the statute, are:

1. The individual or family has income below 30 percent of median income for the geographic area; and (2) the individual or family has insufficient resources immediately available to attain housing stability. Under the interim rule, the first criterion refers specifically to annual income and to median family income for the area, as determined by HUD.

2. Second criterion is interpreted as, ''the individual or family does not have sufficient resources or support networks, e.g., family, friends, faith based or other social

networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the homeless definition [in § 576.2

For homeless prevention, the risk categories to further ensure consistency of interpretation, the interim rule also clarifies several of the risk factors that pertain to the first category of individuals and families who qualify as ‘‘at risk of homelessness.’’ As provided under the statute, the pertinent risk factors are as follows:

1. Has moved frequently because of economic reasons;
2. Is living in the home of another because of economic hardship;
3. Has been notified that their right to occupy their current housing or living situation will be terminated;
4. Lives in a hotel or motel;
5. Lives in severely overcrowded housing;
6. Is exiting an institution; or
7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

4) Describe the standards for determining the share, if any, of rent and utilities costs that each program participant must pay, if any, while receiving homeless prevention or rapid re-housing assistance.

Participants who receive rental assistance through rapid rehousing or homeless prevention are expected to pay 30 percent of their income for rent and utilities if they have income. IHCDA provides an Excel based worksheet which automatically calculates the tenant rent and utility portion allowable household income is entered. Subrecipients will be responsible for ensuring that assisted rental units meet rent reasonable standards, are at or below fair market rent and meet habitability standards before any rental payments are approved. The tenant’s portion and ESG subsidy will be calculated based upon acceptance into the program and determination of need for rental assistance.

The tenant’s portion of rent is calculated on the basis of allowable household income. Tenant rents are paid directly to the landlord and are subject to the same timeliness requirements as the overall rent. Any late fees incurred while receiving ESG will be the tenant’s responsibility to pay.

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5) ***Describe the standards for determining the duration of rental assistance and whether and how the amount of assistance will be adjusted over time.***

Participants can receive up to 12 months of rental assistance per award year, and up to a maximum of 24 months of rental assistance in a three year period. The award term to subrecipients is 18 months. All funds associated with that award year must be expended upon completion of the award term. Program participants receiving rental assistance must pay 30 percent of their household income each month towards rent and utilities throughout the duration of their participation with ESG. Tenant payments will not be adjusted if income has increased. Payment of rental arrears consisting of a one-time payment for up to six months of rental arrears, including any late fees on those arrears is also an eligible expense. All persons assisted with program will qualify for up to 12 months of rental assistance and up to 18 months of services. Case managers will utilize the Arizona Self Sufficiency Matrix tool, which is built into the HMIS, to ensure participants receive the appropriate level of assistance. The Housing Plan is available for case managers to utilize for each household.

6) ***Describe the standards for determining the type, amount, and duration of housing stabilization or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive. Limits should include the maximum amount of assistance, maximum number of months the program participant is eligible to receive assistance; and the maximum number of times the program participants may apply for assistance.***

Participants can receive up to 18 months of housing relocation and stabilization services during the award term. Participants cannot receive more than 24 months of these services within a three (3) year period. Housing relocation and stabilization services includes financial assistance activities such as moving costs, rental application fees, security deposits, last month's rent, utility deposits and utility payments; and services such as housing search and placement, housing stability case management, mediation, legal services, credit repair. No limit will be placed on the amount or type of services provided per participant as subrecipients are encouraged to spend the funds as needed by the tenant through active engagement with the participant. The amount and type of services will be determined largely at the time of intake when the housing case manager completes a housing assessment on the participant. The assessment largely consists of using the Arizona Self-Sufficiency matrix tool, which uses a vulnerability index to determine the most urgent needs as it relates to housing. This tool is also built into the HMIS. Participants can be assisted with housing stability case management for up to 30 days during the period the program participant is seeking permanent housing and cannot exceed 18 months total during the period the program participant is living in permanent housing.

Training through IHCDA Housing Conference and other formats provided by the CoC Board (CoC Development Day) have been provided to ESG subrecipients and other McKinney Vento funded programs. These trainings covered areas such as: housing first

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best practices, motivational interviewing, rule reductions, how to assist in employment, mainstream resources, bed bug prevention and case management best practice.

Subrecipients that administer ESG funded Rapid Rehousing programs will be expected to attend a 12-month learning collaborative as a condition of funding in order to further develop RRH approaches. Subrecipients will participate in peer learning opportunities and RRH outcomes will be tracked throughout the duration of the learning collaborative.

1. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

2. The Coordinated Assessment Committee of the Balance of State Continuum of Care Board is working with the State ESG program to develop and coordinate regional centralized intake and triage centers to ensure access to assistance is driven by the needs of persons experiencing homelessness. IHCDA is the collaborative applicant within the CoC and IHCDA was awarded the Coordinated Access Grant and with the assistance of the CoC Board will develop and improve upon the coordinated access system. Access: The Coordinated Assessment will be in the HMIS system and utilized by the Coordinated Access agency within the Region within the Balance of State CoC whether they are an ESG sub-recipient or other programs funded by McKinney Vento. Each Region will determine if their Coordinated Access will be a centralized or decentralized system. Assessment: Each homeless person will be assessed and triaged based on their needs in order to prioritize that the most vulnerable and those with the highest barriers are assisted first. This first priority would include the chronic homeless population. Assign: Once assessed the person/family then will be assigned to the right type of housing that best suits their needs whether it is permanent supportive housing, rapid rehousing or VASH voucher and whether it is available in that area or Region. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

IHCDA plans to allocate funding to a maximum of 15 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Activities of the ESG program for line items such as: Housing Relocation & Services (financial and services), Rental assistance and administration.

There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately two-three agencies that may apply for the street outreach activity. No more than 60% of ESG funds will be allocated to operations, essentials and street outreach.

A request for proposals will be distributed to all the Regional Planning Councils on Homelessness throughout the Balance of State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental

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health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each sub-recipient will be awarded based on the average of their proposal score and the amount of funding that will be available. The available award range is $60,000 - $250,000 .

There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately two-three agencies that may apply for the street outreach activity. No more than 60% of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each sub-recipient will be awarded based upon the average of their proposal score and the amount of funding that will be available. The amount of each award could be between $60,000 and $250,000 each.

3. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The State ESG recipient – IHCDA - has a member of the Resource & Funding Committee and the BOS CoC Board who has been formerly homeless and currently lives in a permanent supportive housing program. The committee provides guidance to our CoC Programs and their policies and procedures. The State of Indiana recognizes the invaluable perspective of individuals who are currently homeless and formerly homeless in developing an effective person-centered program and system.

The State program strongly encourages subrecipients of the ESG program to incorporate this participation, to the maximum extent practicable, in a policy-making function of both the organization and the respective regional Planning Council on the Homeless.

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The State ESG program application requires subrecipients to demonstrate how participation and input of people experiencing homelessness is utilized at both an organizational level and within their regional Planning Councils on Homelessness. This issue is also reviewed during program monitoring visits.

4. Describe performance standards for evaluating ESG.

The performance standards were developed in conjunction with the governing body for the Balance of State CoC Board and the Resource & Funding Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act.

Baseline performance measurements will be reports generated by the HMIS system and mainly from the Annual Progress Reports and the ESG reports for the prior year. Two of the standards are specific to the sub-recipient's program performance and the remaining two are specific to system outcomes.

ESG subrecipients will be able to set their own goals for the next years on areas such as: discharging persons to permanent housing, increasing employment income and increasing overall income by persons who exit the emergency housing.

Below are goals that IHCDA would like to reach on an annual basis:

ESG RR -rental assistance program subrecipients: At discharge from program, 82 percent persons assisted will still be permanently housing. 65 percent of persons will increase their income.

ESG program subrecipients that are Emergency shelters that have activities: operations, essential services and financial assistance: 50 percent persons will discharge to permanent housing, 25 percent of person's will increase their income.

ESG program subrecipients that are Transitional Housing programs that have activities: operations, essential services and financial assistance: 69 percent will discharge to permanent housing, 50 percent will increase their income.

ESG program subrecipients that have outreach component: 50 percent of identified caseload will be permanently housed.

ESG program subrecipients that have outreach component: 50 percent identified caseload will increase their income.

The average length of stay of participants in ESG funded and other CoC programs should reduce by at least 10 percent.

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SECTION II.

Methods of Distribution
HOME Resale and Recapture

STATE OF INDIANA

STATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM (CFDA: 14-228)

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS

FY 2016 PROGRAM DESIGN AND METHOD OF DISTRIBUTION

GENERAL BACKGROUND INFORMATION AND NATIONAL CDBG OBJECTIVES

The State of Indiana, through the Indiana Office of Community and Rural Affairs, assumed administrative responsibility for Indiana's Small Cities Community Development Block Grant (CDBG) Program in 1982, under the auspices of the U.S. Department of Housing and Urban Development (HUD). In accordance with 570.485(a) and 24 CFR Part 91, the State must submit a Consolidated Plan to HUD by May 15th of each year following an appropriate citizen participation process pursuant to 24 CFR Part 91.325, which prescribes the State's Consolidated Plan process as well as the proposed method of distribution of CDBG funds for 2016. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2016 is $27,990,000.**

This document applies to all federal Small Cities CDBG funds allocated by HUD to the State of Indiana, through its Office of Community and Rural Affairs.

The primary objective of Indiana's Small Cities CDBG Program is to assist in the development and re-development of viable Indiana communities by using CDBG funds to provide a suitable living environment and expand economic opportunities, principally for low and moderate income persons.

Indiana's program will place emphasis on making Indiana communities a better place in which to reside, work, and recreate. Primary attention will be given to activities, which promote long term community development and create an environment conducive to new or expanded employment opportunities for low and moderate income persons.

The Office of Community and Rural Affairs will pursue this goal of **investing CDBG wisely** and all applicable strategic priorities by distributing CDBG funds in a manner, which promotes exploration of all alternative resources (financial and personal) when making funding decisions respective to applications for CDBG funding.

PROGRAM AMENDMENTS

The Indiana Office of Community and Rural Affairs reserves the right to transfer up to ten percent (10%) of each fiscal year's available allocation of CDBG funds (i.e. FY 2016 as well as prior-years' reversions balances) between the programs described herein in order to optimize the use and timeliness of distribution and expenditure of CDBG funds, without formal amendment of this Consolidated Plan.

The Office of Community and Rural Affairs will provide citizens and general units of local government with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of FY 2016 CDBG as well as reversions and residual available balances of prior-years' CDBG funds. "Substantial Change" shall mean the movement between programs of more than ten percent (10%) of the total allocation for a given fiscal year's CDBG funding allocation, or a major modification to programs described herein. The Office of Community and Rural Affairs, in consultation with the Indianapolis office of the US Department of Housing and Urban Development (HUD), will determine those actions, which may constitute a "substantial change".

The State (OCRA) will formally amend its FY 2016 Consolidated Plan if the Office of Community and Rural Affairs' **Method of Distribution for FY 2016 and prior-years' funds** prescribed herein are to be significantly changed. The OCRA will determine the necessary changes, prepare the proposed amendment, provide the public and units of general local government with reasonable notice and opportunity to comment on the proposed amendment, consider the comments received, and make the amended FY 2016 Consolidated Plan available to the public at the time it is submitted to HUD. In addition, the Office of Community and Rural Affairs will submit to HUD the amended Consolidated Plan before the Department implements any changes embodied in such program amendment.

ELIGIBLE ACTIVITIES/FUNDABILITY

All activities, which are eligible for federal CDBG funding under Section 105 of the Federal Housing and Community Development Act of 1974, as, amended (Federal Act), are eligible for funding under the Indiana Office of Community and Rural Affairs' FY 2016 CDBG program. However, the Indiana Office of Community and Rural Affairs reserves the right to prioritize its method of funding; the Office of Community and Rural Affairs prefers to expend federal CDBG funds on activities/projects which will produce tangible results for principally low and moderate income persons in Indiana. Funding decisions will be made using criteria and rating systems, which are used for the State's programs and are subject to the availability of funds. It shall be the policy under the state program to give priority to using CDBG funds to pay for actual project costs and not to local administrative costs. **The State of Indiana certifies that not less than seventy-percent (70%) of FY 2016 CDBG funds will be expended for activities principally benefiting low and moderate income persons, as prescribed by 24 CFR 570.484, et. seq.**

ELIGIBLE APPLICANTS

1. All Indiana counties, cities and incorporated towns which do not receive CDBG entitlement funding directly from HUD or are not located in an "urban county" or other area eligible for "entitlement" funding from HUD.

2. All Indian tribes meeting the criteria set forth in Section 102 (a)(17) of the Federal Act.

In order to be eligible for CDBG funding, applicants may not be suspended from participation in the HUD-funded CDBG Programs or the Indiana Office of Community and Rural Affairs due to findings/irregularities with previous CDBG grants or other reasons. In addition, applicants may be suspended from participation in the state CDBG-funded projects administered by the Indiana Housing & Community Development Authority (IHCDA), such funds being subcontracted to the IHCDA by the Office of Community and Rural Affairs.

Further, in order to be eligible for CDBG funding, applicants may not have overdue reports, overdue responses to monitoring issues, or overdue grant closeout documents for projects funded by either the Office of Community and Rural Affairs or IHCDA projects funded using state CDBG funds allocated to the IHCDA by the Office of Community and Rural Affairs. All applicants for CDBG funding must fully expend all CDBG Program Income as defined in 24 CFR 570.489(e) prior to, or as a part of the proposed CDBG-assisted project, in order to be eligible for further CDBG funding from the State.

Other specific eligibility criteria are outlined in **General Selection Criteria** provided herein.

FY 2016 FUND DISTRIBUTION

Sources of Funds:

FY 2016 CDBG Allocation	**$27,990,000**
Section 108 Loan Program	$80,000,000 (up to)
CDBG Program Income	$0
, **Total:**	**$107,990,000**

Uses of Funds:

2.	Housing Programs (IHCDA)	$2,800,000
3.	Stellar Communities Program	$4,000,000
4.	Planning Fund	$1,400,000
5.	Main Street Revitalization Program	$1,500,000
6.	Wastewater/Drinking Water Improvements Program	$8,000,000
7.	Blight Clearance Program	$1.400,000
8.	Public Facilities Program	$3,200,000
9.	Storm Water Improvements Program	$3,500,000
10.	Workforce Development Program	$1,250,000
11.	Urgent Need Fund	$0
12.	Technical Assistance	$ 280,000
13.	Administration	$ 660,000
14.	Section 108 Loan Program (CEED)	$80,000,000 (up to)
	Total:	**$107,990,000**

(a) The State of Indiana (Office of Community and Rural Affairs) does not project receipt of any CDBG program income for the period covered by this FY 2016 Consolidated Plan. In the event the Office of Community and Rural Affairs receives such CDBG Program Income, such moneys will be placed in the Wastewater/Drinking Water Program (WDW) for the purpose of making additional competitive grants under that program. Reversions of other years' funding will be placed in the Wastewater/Drinking Water Program (WDW) for the specific year of funding reverted. The State will allocate and expend all CDBG Program Income funds received prior to drawing additional CDBG funds from the US Treasury. However, the following exceptions shall apply:

1. This prior-use policy shall not apply to housing-related grants made to applicants by the Indiana Housing & Community Development Authority (IHCDA), a separate agency, using CDBG funds allocated to the IHCDA by the Office of Community and Rural Affairs.

2. Program income generated by CDBG grants awarded by the Office of Community and Rural Affairs (State) using FY 2016 CDBG funds must be returned to the Office of Community and Rural Affairs, however, such amounts of less than $35,000 per calendar year shall be excluded from the definition of CDBG Program Income pursuant to 24 CFR 570.489.

All obligations of CDBG program income to projects/activities require prior approval by the Office of Community and Rural Affairs. This includes use of program income as matching funds for CDBG-funded grants from the IHCDA. Applicable parties should contact the Director of Grant Services at (317) 232-1703 for application instructions and documents for use of program income prior to obligation of such funds.

Local Governments that have been inactive in using their program income are required to return their program income to the State. The State will use program income reports submitted by local governments and/or other information obtained from local governments to determine if they have been active or inactive in using their program income. Local governments that have an obligated/approved application to use their program income to fund at least one project in the previous 24 months will be considered active. Local governments that have not obtained approval for a project to utilize their program income for 24 months will be considered inactive.

Furthermore, U.S. Department of Treasury regulations require that CDBG program income cash balances on hand be expended on any active CDBG grant being administered by a grantee before additional federal CDBG funds are requested from the Office of Community and Rural Affairs. These US Treasury regulations apply to projects funded both by IHCDA and the Office of Community and Rural Affairs. Eligible applicants with CDBG program income should strive to close out all active grant projects presently being administered before seeking additional CDBG assistance from the Office of Community and Rural Affairs or IHCDA.

Eligible applicants with CDBG program income should contact the Office of Community and Rural Affairs at (317) 232-1703 for clarification before submitting an application for CDBG financial assistance.

METHOD OF DISTRIBUTION

The choice of activities on which the State (Office of Community and Rural Affairs) CDBG funds are expended represents a determination by Office of Community and Rural Affairs and eligible units of general local government, developed in accordance with the Department's CDBG program design and procedures prescribed herein. The eligible activities enumerated in the following Method of Distribution are eligible CDBG activities as provided for under Section 105(a) of the Federal Act, as amended.

All projects/activities funded by the State (Office of Community and Rural Affairs) will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will be distributed according to the following Method of Distribution (program descriptions):

A. Housing Program: $2,800,000

The State (Office of Community and Rural Affairs) has contracted with the Indiana Housing & Community Development Authority (IHCDA) to administer funds allocated to the State's Housing Program. The Indiana Housing & Community Development Authority will act as the administrative agent on behalf of the Indiana Office of Community and Rural Affairs. Please refer to the Indiana Housing & Community Development Authority's portion of this FY 2016 Consolidated Plan for the method of distribution of such subcontracted CDBG funds from the Office of Community and Rural Affairs to the IHCDA.

B. Stellar Communities Program: $ 4,000,000

The State of Indiana will to set aside $4,000,000 of its FY 2016 CDBG funds for the Stellar Communities Program. Indiana's Stellar Communities Program is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Housing and Community Development Authority (IHCDA), and the Indiana Department of Transportation (INDOT). The Stellar Communities Program is seeking to engage two communities to achieve a three-year revitalization strategy that will leverage unified state investment and funding from the partnering agencies to complete projects comprehensively. In the revitalization strategy communities will identify areas of interest and types of projects, produce a schedule to complete projects, produce cost estimates, identify local match amounts, sources, and additional funding resources, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the community. From this revitalization strategy, communities will produce a three-year community investment plan which will identify capital and quality of life projects to be completed during that period.

Evaluation and selection of the final two communities to the Stellar Communities Program will be based on:

- Summary of Comprehensive Community Revitalization Strategy
- Identify at least one project to be completed in each of the 3 program years. The total number of projects is solely limited to the community's ability to successfully complete the projects;
- Identify/document project cost estimates, local match amounts and sources, and additional funding resources.

- Completion of the site visit checklist from the resource team.

- Document and support the level of need for each project and the significance of each project in the overall revitalization efforts within the community;

- Capacity of the applicant to administer the funds;

- The long-term viability of the strategic community investment plan;

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

All projects funded by IHCDA with CDBG funds will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations. All projects funded by IHCDA with HOME, ESG and/or HOPWA funds will meet the specific requirements set forth by those programs.

C. Planning Fund: $ 1,400,000

The State (Office of Community and Rural Affairs) will set aside $1,400,000 of its FY 2016 CDBG funds for planning-only activities, which are of a project-specific nature. The Office of Community and Rural Affairs will make planning-only grants to units of local government to carry out planning activities eligible under 24 CFR 570.205 of applicable HUD regulations. The Office of Community and Rural Affairs will award such grants on a competitive basis and grant the Office of Community and Rural Affairs will review applications monthly. The Office of Community and Rural Affairs will give priority to applications having planning activities designed to assist the applicable unit of local government in meeting its community development needs by reviewing all possible sources of funding, not simply the Office of Community and Rural Affair's grant programs..

CDBG-funded planning costs will exclude final engineering and design costs related to specific activities which are eligible activities/costs under 24 CFR 570.201-204.

The specific threshold criteria and basis for project point awards for PL grant awards are provided in Attachment D hereto. The Planning Fund (PL) Program shall have a maximum grant amounts as follows:

- Environmental infrastructure studies are limited as follows:
    - $35,000 for a study on a single utility,
    - $45,000 for a study on two utilities, and
    - $50,000 for a master utility study (water, wastewater, and storm water).
- Dam or Levee System Evaluations will be limited to $75,000.
- Comprehensive plans are limited as follows.
    - Populations over 10,000 are limited to $50,000, and
    - Populations under 10,000 are limited to $40,000
- Downtown revitalization plans are limited as follows:
    - Populations over 2,000 are limited to $40,000, and
    - Populations under 2,000 are limited to $30,000
- Economic development plans are limited to $40,000.
- Public facilities plans will be limited to $20,000.
- Historic preservation plans will be limited to $20,000.
- Environmental Remediation Plan grant amounts will be determined by OCRA on a case by case basis.

For the PL Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary. The specific threshold criteria and basis for project point awards for MSRP grant awards are provided in Attachment D hereto.

D. Main Street Revitalization Program: $1,500,000

The Office of Community and Rural Affairs will award Main Street Revitalization Program (MSRP) grants to

eligible applicants to assist Indiana communities with activities intended to revitalize their downtown area. Each applicant must meet the following prerequisites:

1) Have a designated Indiana Main Street Organization;
2) The Main Street Organization is in good standing for meeting all the reporting requirements;
3) The Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past year;
4) The Main Street organization is functioning within the Main Street 4 Point Approach of Organization, Design, Economic Restructuring, and Promotion;
5) The Main Street organization has current Work Plans for each of its Committees that have been submitted to Indiana Main Street;
6) The Main Street Organization has a business recruitment/retention plan that is approved by the Indiana Main Street Program;
7) The project must be part of the Main Street Organization's overall strategy;
8) The Community has completed a downtown revitalization plan within the past five years that meets OCRA's Minimum Technical Requirements.

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for MSRP grant awards are provided in Attachment E hereto. The Main Street Revitalization Program (MSRP) shall have a maximum grant amount of $500,000.

For the MSRP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

G. Wastewater/Drinking Water Improvements Program: $ 8,000,000

The State of Indiana will set aside $8,000,000 of its FY 2016 CDBG funds for the Wastewater Drinking Water (WDW) Improvements Program.

Applications will be accepted and awards made on a competitive basis one time per year. The Wastewater/Drinking Water Improvements Program (WDW) shall have a maximum grant amount according to the schedules below:

Wastewater
Projects Under $1 million in total project costs

	Rates for 4,000 gallons		
Maximum Grant Amounts	**User Rates (Over $50)**	**User Rates ($30 to $50)**	**User Rates (Under $30)**
Tier III – LMI% 62.0 and higher	$600,000	$550,000	$500,000
Tier II – LMI% 57.0 to 61.9	$550,000	$500,000	$450,000
Tier I – LMI% 51.0 to 56.9	$500,000	$450,000	$400,000

Wastewater
Projects Over $1 million in total project costs

	Rates for 4,000 gallons		
Maximum Grant Amounts	**User Rates (Over $45)**	**User Rates ($25 to $45)**	**User Rates (Under $25)**
Tier III – LMI% 62.0 and higher	$700,000	$650,000	$600,000
Tier II – LMI% 57.0 to 61.9	$650,000	$600,000	$550,000
Tier I – LMI% 51.0 to 56.9	$600,000	$550,000	$500,000

Drinking Water
Projects Under $1 million in total project costs

	Rates for 4,000 gallons		
Maximum Grant Amounts	**User Rates (Over $45)**	**User Rates ($25 to $45)**	**User Rates (Under $25)**
Tier III – LMI% 62.0 and higher	$600,000	$550,000	$500,000
Tier II – LMI% 57.0 to 61.9	$550,000	$500,000	$450,000

Tier I – LMI% 51.0 to 56.9	$500,000	$450,000	$400,000

Drinking Water
Projects Over $1 million in total project costs

	Rates for 4,000 gallons		
Maximum Grant Amounts	**User Rates (Over $45)**	**User Rates ($25 to $45)**	**User Rates (Under $25)**
Tier III – LMI% 62.0 and higher	$700,000	$650,000	$600,000
Tier II – LMI% 57.0 to 61.9	$650,000	$600,000	$550,000
Tier I – LMI% 51.0 to 56.9	$600,000	$550,000	$500,000

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for WWP grant awards are provided in Attachment F hereto.

For the WWP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

H. Blight Clearance Program: $1,400,000

Indiana's Comprehensive Site Redevelopment Program (CSRP) is a collaborative effort between the Office of Community and Rural Affairs (OCRA) and the Indiana Finance Authority's (IFA) Brownfield Program. The CSRP funding strategy will leverage funding from the partnering agencies to address comprehensive Brownfield remediation and clearance projects.

The State of Indiana will to set aside $1,400,000 of its FY 2016 CDBG funds for the competitive Blight Clearance Program (BCP) portion of the Comprehensive Site Redevelopment Program (CSRP). Applications will be accepted and awards will be made in a single competitive round. The specific threshold criteria and basis for project point awards for BCP grant awards are provided in Attachment G hereto. The Blight Clearance Program (BCP) shall have a maximum grant amount of $350,000.

Environmental assessments and studies for the CSRP program will be applied for through the Planning Program.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

I. Public Facilities Program: $3,200,000

The State of Indiana will to set aside $3,200,000 of its FY 2016 CDBG funds for the Public Facilities Program (PFP).

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for PFP grant awards are provided in Attachment H hereto.

For the PFP specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary. That maximum grant award for the Public Facilities Program is $400,000.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

J. Stormwater Improvements Program: $3,500,000

The State of Indiana will to set aside $3,500,000 of its FY 2016 CDBG funds for the Stormwater Improvements Program (SIP).

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for SIP grant awards are provided in Attachment I hereto.

For the SIP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary. That maximum grant award for the Stormwater Improvements Program is $500,000.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

K. Workforce Development Program: $1,250,000

The Office of Community and Rural Affairs (OCRA) will set aside $1,250,000 of its FY 2016 CDBG funds for workforce development and skills training activities. The OCRA will make these grants to units of local government to carry out activities eligible under 24 CFR 570.201(e) of applicable HUD regulations.

Applications will be accepted and awards will be made on a competitive basis. To be eligible for WDP assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State) in the 12 calendar months before the submission of the action plan. The OCRA will give priority to applications having a proven need and regional impact.

Eligible activities for the Workforce Development Program include:

- Sector-based strategies focusing on a specific need in the community/region (welding, heavy equipment operator, etc)
- Problem-focused strategies (life-skills, interviewing, basic math, etc.)

The specific threshold criteria and basis for project award for WDP grants are provided in Attachment J hereto. The Workforce Development (WDP) Program shall have a maximum grant amount of $250,000.00.

Local match contribution of at least 20% of total program costs will be required.

L. Section 108 Loan Program: Up to $80 million

During FY 2016, the State of Indiana proposes to pledge up to $80,000,000.00 of its present and future allocation(s) of Small Cities CDBG funds as security for Section 108 loan guarantees provided for under Subpart M of 24 CFR Part 570 (24 CFR 570.700). Applications may be submitted at any time during the year, as long as funds are available from HUD. The state may enter into loan guarantee agreements in support of projects sponsored by an individual local government. Project must meet minimum criteria with respect to equity, collateral and underwriting standards. The CDBG Loan Guarantee Program (Section 108 Program) is an economic and community development financing tool authorized under Section 108 of Title I of the Housing and Community Development Act of 1974, as amended. The program provides a method of assisting non-entitlement local governments with certain unique and large-scale economic development projects that cannot proceed without the loan guarantee. In order to be eligible a project must meet all applicable CDBG requirements and result in significant employment opportunities and/or benefits for low- and moderate-income persons. Unlike the traditional CDBG Program, the Section 108 Program does not operate through assistance from the Office of Community and Rural Affairs (OCRA) or Indiana Housing and Community Development Authority. Rather, funds are raised through OCRA's "Pledge of Grants" to the U.S. Department of Housing and Urban Development (HUD) in order to obtain a federal guarantee of notes issued by the local government. The federally guaranteed notes are sold into private markets through public offerings conducted by HUD. By approving the project, a State pledges its future CDBG funds as the ultimate repayment source should a Section 108 loan default. The State's participation in the Section 108 program does not involve a pledge of Indiana's full faith and credit nor does it commit any funding to the local government. HUD makes the ultimate approval or denial of the federal guarantee.

Only non-entitlement communities that do not receive direct allocations of Community Development Block Grant from the U.S. Department of Housing and Urban Development may apply to the State of Indiana's Community Enhancement and Economic Development Fund, or CEED Fund, and applications for loans from the CEED fund may be only for the project types listed in the CEED Loan Program Guidelines. The amount of CEED financing that an eligible public entity may receive is limited to $1,000,000-$7,000,000.

M. The Urgent Need Fund: $0

The Urgent Need Fund will be available to eligible applicants on a continuing basis. These activities must be eligible for funding under the "urgent need" national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

The Urgent Need Fund will be available to eligible applicants to meet an imminent threat to the health and safety of local populations. The grants may be funded as made available through the Public Facilities Program or reversions when not budgeted from the annual allocation. Special selection factors include need, proof of recent threat of a catastrophic nature, statement of declared emergency and inability to fund through other means. Projects will be developed with the assistance of the Office of Community and Rural Affairs as a particular need arises. To be eligible, these projects and their activities must meet the "urgent need" national objective of Section 104(b)(3) of the Federal Act. Generally, projects funded are those, which need immediate attention and are, therefore, inappropriate for consideration under OCRA's regular programs. The types of projects, which typically receive funding, are municipal water systems (where the supply of potable water has been threatened by severe weather conditions) and assistance with demolition or cleanup after a major fire, flood, or other natural disaster. Although all projects will be required to meet the "urgent need" national objective, the Office of Community and Rural Affairs may choose to actually fund the project under one of the other two national objectives, if it deems it expedient to do so. Applicants must adequately document that other financial resources are not available to meet such needs pursuant to Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of HUD regulations.

Only that portion of a project, which addresses an immediate need, should be addressed. This is particularly true of municipal water or sewer system projects, which tend to need major reinvestment in existing plants or facilities, in addition to the correction of the immediate need. The amount of grant award is determined by the individual circumstances surrounding the request for emergency funds. A community may be required to provide a match through cash, debt or provision of employee labor.

The eligibility of any project is at the full discretion of the Office of Community and Rural Affairs.

N. Technical Assistance Set-aside: $280,000

Pursuant to the federal Housing and Community Development Act (Federal Act), specifically Section 106(d)(5), the State of Indiana is authorized to set aside up to one percent (1%) of its total allocation for technical assistance activities. The amount set aside for such Technical Assistance in the State's FY 2016 Consolidated Plan is $280,000, which constitutes approximately one-percent (1%) of the State's FY 2016 CDBG allocation of $27,990,000. The State of Indiana reserves the right to set aside up to one percent (1%) of open prior-year funding amounts for the costs of providing technical assistance on an as-needed basis.

The amount set aside for the Technical Assistance Program will not be considered a planning cost as defined under Section 105(a)(12) of the Federal Act or an administrative cost as defined under Section 105(a)(13) of the Federal Act. Accordingly, such amounts set aside for Technical Assistance will not require matching funds by the State of Indiana. The Department reserves the right to transfer a portion or all of the funding set aside for Technical Assistance to another program hereunder as deemed appropriate by the Office of Community and Rural Affairs, in accordance with the "Program Amendments" provisions of this document. The Technical Assistance Program is designed to provide, through direct Office of Community and Rural Affairs staff resources or by contract, training and technical assistance to units of general local government, nonprofit and for-profit entities relative to community and economic development initiatives, activities and associated project management requirements.

1. **Distribution of the Technical Assistance Program Set-aside:** Pursuant to HUD regulations and policy memoranda, the Office of Community and Rural Affairs may use alternative methodologies for delivering technical assistance to units of local government and nonprofits to carry out eligible activities, to include:

a. Provide the technical assistance directly with Office of Community and Rural Affairs or other State staff;
b. Hire a contractor to provide assistance;
c. Use sub-recipients such as Regional Planning Organizations as providers or securers of the assistance;
d. Directly allocate the funds to non-profits and units of general local governments to secure/contract for technical assistance.
e. Pay for tuition, training, and/or travel fees for specific trainees from units of general local governments and nonprofits;
f. Transfer funds to another state agency for the provision of technical assistance; and,
g. Contracts with state-funded institutions of higher education to provide the assistance.

2. **Ineligible Uses of the Technical Assistance Program Set-aside:** The 1% set-aside may not be used by the Office of Community and Rural Affairs for the following activities:

a. Local administrative expenses not related to community development;
b. Any activity that cannot be documented as meeting a technical assistance need;
c. General administrative activities of the State not relating to technical assistance, such as monitoring state grantees, rating and ranking State applications for CDBG assistance, and drawing funds from the Office of Community and Rural Affairs; or,
d. Activities that are meant to train State staff to perform state administrative functions, rather than to train units of general local governments and non-profits.

O. Administrative Funds Set-aside: $660,000

The State (Office of Community and Rural Affairs) will set aside up to $660,000 of its FY 2016 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount ($660,000) constitutes two-percent (2%) of the State's FY 2016 CDBG allocation ($555,548), plus an amount of $100,000 ($27,990,000 X 0.02 = $559,800 + $100,000 = $660,000). The amount constituted by the 2% set aside ($555,548) is subject to the $1-for-$1 matching requirement of HUD regulations. The $100,000 supplement is not subject to state match. These funds will be used by the Office of Community and Rural Affairs for expenses associated with administering its State CDBG Program, including direct personal services and fringe benefits of applicable Office of Community and Rural Affairs staff, as well as direct and indirect expenses incurred in the proper administration of the state's program and monitoring activities respective to CDBG grants awarded to units of local government (i.e. telephone, travel, services contractual, etc.). These administrative funds will also be used to pay for contractors hired to assist the Office of Community and Rural Affairs in its consolidated planning activities.

PRIOR YEARS' METHODS OF DISTRIBUTION

This Consolidated Plan, statement of Method of Distribution is intended to amend all prior Consolidated Plans for grant years where funds are still available to reflect the new program designs. The Methods of Distribution described in this document will be in effect commencing on July 1, 2016, and ending June 30, 2017, unless subsequently amended, for all FY 2016 CDBG funds as well as remaining residual balances of previous years' funding allocations, as may be amended from time to time subject to the provisions governing "Program Amendments" herein. The existing and amended program budgets for each year are outlined below (administrative fund allocations have not changed and are not shown below). Adjustments in the actual dollars may occur as additional reversions become available.

In the case that prior years' funds should become available, they will be placed in any of the currently open programs and become subject to the requirements and allowances set forth in this plan. Non-expended funds, which revert from the financial settlement of projects funded from other programs, will be placed in any open program for use in that ongoing program.

PROGRAM APPLICATION

The Planning Fund/Program (PL) will be conducted through a single-stage, continuous application process throughout the program year. The application process for the Stellar Communities Program, the Main Street Revitalization Program (MSRP) and the Workforce Development Program (WDP) will be a single competitive application process. The application process for the Wastewater/Drinking Water Program (WDW), Public

Facilities Program (PFP), Stormwater Improvements Program (SIP), and Blight Clearance Program (BCP) will be competitive application process held twice in calendar year.

Eligible applicants will first submit a short program proposal or letter of intent for such grants. After submitting proposal, eligible projects under the Federal Act will be invited to submit a full application. For each program, the full application will be reviewed and evaluated. The Office of Community and Rural Affairs, as applicable, will provide technical assistance to the communities in the development of proposals and full applications.

An eligible applicant may submit only one application per cycle, per program. Additional applications may be submitted under the other state programs. The Office of Community and Rural Affairs reserves the right to negotiate Planning-Only grants with applicants for applications lacking a credible readiness to proceed on the project or having other planning needs to support a construction project.

OTHER REQUIREMENTS

While administrative responsibility for the Small Cities CDBG program has been assumed by the State of Indiana, the State is still bound by the statutory requirements of the applicable legislation passed by Congress, as well as federal regulations promulgated by the U. S. Department of Housing and Urban Development (HUD) respective to the State's CDBG program as codified under Title 24, Code of the Federal Register. HUD has passed on these responsibilities and requirements to the State and the State is required to provide adequate evidence to HUD that it is carrying out its legal responsibilities under these statutes.

As a result of the Federal Act, applicants who receive funds through the Indiana Office of Community and Rural Affairs selection process will be required to maintain a plan for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities. Applicants are required to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance under this program to acquire or substantially rehabilitate property. The State has adopted standards for determining reasonable relocation benefits in accordance with HUD regulations.

CDBG "Program Income" may be generated as a result of grant implementation. The State of Indiana may enter into an agreement with the grantee in which program income is retained by the grantee for eligible activities. Federal guidelines require that program income be spent prior to requesting additional draw downs. Expenditure of such funds requires prior approval from the Office of Community and Rural Affairs (OCRA). The State (Office of Community and Rural Affairs) will follow HUD regulations set forth under 24 CFR 570.489(e) respective to the definition and expenditure of CDBG Program Income.

All statutory requirements will become the responsibility of the recipient as part of the terms and conditions of grant award. Assurances relative to specific statutory requirements will be required as part of the application package and funding agreement. Grant recipients will be required to secure and retain certain information, provide reports and document actions as a condition to receiving funds from the program. Grant management techniques and program requirements are explained in the OCRA's CDBG Grantee Implementation Manual, which is provided to each grant recipient.

Revisions to the Federal Act have mandated additional citizen participation requirements for the State and its grantees. The State has adopted a written Citizen Participation Plan, which is available for interested citizens to review. Applicants must certify to the State that they are following a detailed Citizen Participation Plan which meets Title I requirements. Technical assistance will be provided by the Office of Community and Rural Affairs to assist program applicants in meeting citizen participation requirements.

The State has required each applicant for CDBG funds to certify that it has identified its housing and community development needs, including those of low and moderate income persons and the activities to be undertaken to meet those needs.

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (OCRA)

The Indiana Office of Community and Rural Affairs intends to provide the maximum technical assistance possible for all of the programs to be funded from the CDBG program. The State's Lieutenant Governor heads the Office of Community and Rural Affairs. Principal responsibility for the CDBG program is vested in Aletha Dunston, CDBG Program Manager. The Office of Community and Rural Affairs also has the responsibility of

administering compliance activities respective to CDBG grants awarded to units of local government.

Primary responsibility for providing “outreach” and technical assistance for the Stellar Communities Program, Main Street Revitalization Fund, Wastewater/Drinking Water Program, Public Facilities Program, Stormwater Improvements Program, Comprehensive Site Redevelopment Program, Workforce Development Program and the Planning Fund process resides with the Office of Community and Rural Affairs. Primary responsibility for providing “outreach” and technical assistance for the Housing award process resides with the Indiana Housing & Community Development Authority who will act as the administrative agent on behalf of the Indiana Office of Community and Rural Affairs.

The Business Office will provide internal fiscal support services for program activities, development of the Consolidated Plan and the CAPER. The Office of Community and Rural Affairs has the responsibilities for CDBG program management, compliance and financial monitoring of all CDBG programs. The Indiana State Board of Accounts pursuant to 2 CFR 200 will conduct audits. Potential applicants should contact the Office of Community and Rural Affairs with any questions or inquiries they may have concerning these or any other programs operated by the Office of Community and Rural Affairs.

Information regarding the past use of CDBG funds is available at the:

Indiana Office of Community and Rural Affairs
State CDBG Director
One North Capitol, Suite 600
Indianapolis, Indiana 46204-2288
Telephone: 1-800-824-2476
FAX: (317) 233-6503

ATTACHMENT A

DEFINITIONS

Low and moderate income - is defined as 80% of the median family income (adjusted by size) for each county. For a county applicant, this is defined as 80% of the median income for the state. The income limits shall be as defined by the U. S. Department of Housing and Urban Development Section 8 Income Guidelines for "low income families." Certain persons are considered to be "presumptively" low and moderate income persons as set forth under 24 CFR 570.208(a)(2); inquiries as to such presumptive categories should be directed to the OCRA's Grants Management Office, Attention: Ms. Beth Goeb at (317) 232-8831.

Matching funds - local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds required for CDBG projects is either ten-percent (10%) or twenty-percent (20%), based on program, of the **total estimated project costs**. This percentage is computed by adding the proposed grant amount and the local matching funds amount, and dividing the local matching funds amount by the total sum of the two amounts. The definition of match includes a maximum of 5% pre-approved and validated in-kind contributions. The balance of the match requirement must be in the form of either cash or debt. Any in-kind over and above the specified 5% may be designated as local effort. Other funds provided to applicants by the Office of Community and Rural Affairs are not eligible for use as matching funds.

Letter of Intent (LOI) (synonymous with "proposal" or "pre-application") - A document submitted by a community which briefly outlines the proposed project, the principal parties, and the project budget and how the proposed project will meet a goal of the Federal Act. If acceptable, the community may be invited to submit a full application.

Reversions - Funds placed under contract with a community but not expended for the granted purpose because expenses were less than anticipated and/or the project was amended or canceled and such funds were returned to the Office of Community and Rural Affairs upon financial settlement of the project.

Slums or Blight - an area/parcel which: (1) meets a definition of a slum, blighted, deteriorated, or deteriorating area under state or local law (Title 36-7-1-3 of Indiana Code); and (2) meets the requirements for "area basis" slum or blighted conditions pursuant to 24 CFR 570.208(b)(1) and 24 CFR 570.483(c)(1), or "spot basis" blighted conditions pursuant to 24 CFR 570.208(b)(2) and 24 CFR 570.483(c)(2).

Urgent Need - is defined as a serious and immediate threat to health and welfare of the community. The Chief Elected Official must certify that an emergency condition exists and requires immediate resolution and that alternative sources of financing are not available. An application for CDBG funding under the "urgent need" CDBG national objective must adhere to all requirements for same set forth under 24 CFR 570.208(c) and 24 CFR 570.483(d).

ATTACHMENT B

DISPLACEMENT PLAN

1. The State shall fund only those applications, which present projects and activities, which will result in the displacement of as few persons or businesses as necessary to meet the goals and objectives of the state and local CDBG-assisted program.

2. The State will use this criterion as one of the guidelines for project selection and funding.

3. The State will require all funded communities to certify that the funded project is minimizing displacement.

4. The State will require all funded communities to maintain a local plan for minimizing displacement of persons or businesses as a result of CDBG funded activities, pursuant to the federal Uniform Relocation and Acquisitions Policies Act of 1970, as amended.

5. The State will require that all CDBG funded communities provide assistance to all persons displaced as a result of CDBG funded activities.

6. The State will require each funded community to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the CDBG funded program.

ATTACHMENT C

GENERAL SELECTION CRITERIA

The Office of Community and Rural Affairs (OCRA) will consider the following general criteria when evaluating a project proposal. Although projects will be reviewed for this information at the proposal stage, no project will be eliminated from consideration if the criteria are not met. Instead, the community will be alerted to the problem(s) identified. Communities must have corrected any identified deficiencies by the time of application submission for that project to be considered for funding.

A. General Criteria (all programs - see exception for program income and housing projects through the IHCDA in 7 below):

1. The applicant must be a legally constituted general purpose unit of local government and eligible to apply for the state program.

2. The applicant must possess the legal capacity to carry out the proposed program.

3. If the applicant has previously received funds under CDBG, they must have successfully carried out the program. An applicant must not have any overdue closeout reports, State Board of Accounts audit findings or unresolved OCRA/IHCDA monitoring findings (where the community is responsible for resolution.) Any determination of "overdue" is solely at the discretion of the Indiana Office of Community and Rural Affairs.

4. An applicant must not have any overdue CDBG semi-annual Grantee Performance Reports, subrecipient reports or other reporting requirements of the OCRA/IHCDA. Any determination of "overdue" is solely at the discretion of the Indiana Office of Community and Rural Affairs.

5. The applicant must clearly show the manner in which the proposed project will meet one of the three national CDBG objectives and meet the criteria set forth under 24 CFR 570.483.

6. The applicant must show that the proposed project is an eligible activity under the Act.

7. The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Office of Community and Rural Affairs; EXCEPTION – these general criteria will not apply to applications made directly to the Indiana Housing & Community Development Authority (IHCDA) for CDBG-funded housing projects.

8. To be eligible to apply at the time of application submission, an applicant must not have any:

    a. Overdue grant reports, sub-recipient reports or project closeout documents; or

    b. More than three (3) open or pending CDBG grant (Indiana cities and incorporated towns), or four (4) open or pending CDBG grants (Indiana counties) from OCRA;

    c. For those applicants with an open MSRP, WDW, PFP, SIP or BCP a "Notice of Release of Funds and Authorization to Incur Costs" must have been issued for the construction activities under the open CFF, MSRP, WDW, PFP, SIP or BCP contract, and a contract for construction of the principal (largest funding amount) construction line item (activity) must have been executed prior to the deadline established by OCRA for receipt of applications for funding.

    d. For those applicants who have open Planning Fund grants, the community must have final plan approved by the Office of Community and Rural Affairs prior to submission of MSRP, SIP, WDW, PFP, CSRP or WDP application for the project.

9. The cost/beneficiary ratio for all CDBG funds will be maintained at $5,000. Housing related projects are to be submitted directly to the Indiana Housing & Community Development Authority (IHCDA) under its programs.

10. Required leveraging based on program (as measured against the CDBG project, see definitions) must be proposed. The Indiana Office of Community and Rural Affairs may rule on the suitability and eligibility of such leveraging.

11. The applicant may only submit one proposal or application per round per program. Counties may submit either for their own project or an "on-behalf-of" application for projects of other eligible applicants within the county. However, no application will be invited from an applicant where the purpose is clearly to circumvent the "one application per round" requirement for other eligible applicants.

12. The application must be complete and submitted by the announced deadline.

C. Housing Programs: Refer to Method of Distribution for Indiana Housing & Community Development Authority within this FY 2016 Consolidated Plan

ATTACHMENT D

GRANT EVALUATION CRITERIA
Planning Grant Program (PL)
750 POINTS TOTAL

Planning Grant (PL) applications must achieve a minimum score of 450 points (60%) to be eligible for award.
*Planning grants do not count toward a community's maximum number of open grants.

NATIONAL OBJECTIVE SCORE (200 POINTS):

Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

1. National Objective = Benefit to Low- and Moderate-Income Persons: 200 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

National Objective Score = % Low/Mod Beneficiaries X 2.5

The point total is capped at 200 points or 80% low/moderate beneficiaries, i.e., a project with 80% or greater low/moderate beneficiaries will receive 200 points. Below 80% benefit to low/moderate-income persons, the formula calculation will apply.

2. National Objective = Prevention or Elimination of Slums or Blight: 200 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

National Objective Score = (Total of the points received in each category below) X 2.5

___ Applicant has a Slum/Blight Resolution for project area (50 pts.)

___ The project site is a brownfield* (10 pts.)

___ The building or district is listed on the Indiana or National Register of Historic Places** (10 pts.)

___ The building or district is eligible for listing on the Indiana or National Register of Historic Places** (10 pts.)

___ The building is on the Historic Landmarks Foundation of Indiana's "10 Most Endangered List" (15 pts.)

* The State of Indiana defines a brownfield as an industrial or commercial property that is abandoned, inactive, or underutilized, on which expansion or redevelopment is complicated due to actual or perceived environmental contamination.

Project may either be listed on **or eligible for listing on the Indiana or National Register of Historic Places. ***Both cannot be checked.***

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**.** **Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

0- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 7 years since previous funding – 50pts

Example:
Community submits and receives a PL award for a Master Utility Study in May 2009. When applying for a Water Utility Study in March of 2016, they would be subject to a point reduction of 50pts. In July of 2016 they would have no point reduction.

GRANT EVALUATION CRITERIA – 700 POINTS TOTAL
Main Street Revitalization Program (MSRP)

Main Street Revitalization Program applications (MSRP) must achieve a minimum score of 400 points to be eligible for award.

THRESHOLD REQUIREMENTS:

Each applicant must meet the following prerequisites:

1) Have a designated Indiana Main Street Organization;
2) The Main Street Organization is in good standing for meeting all the reporting requirements;
3) The Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past year;
4) The Main Street organization is functioning within the Main Street 4 Point Approach of Organization, Design, Economic Restructuring, and Promotion;
5) The Main Street organization has current Work Plans for each of its Committees that have been submitted to Indiana Main Street;
6) The Main Street Organization has a business recruitment/retention plan that is approved by the Indiana Main Street Program;
7) The project must be documented as part of the Main Street Organization's overall strategy;
8) The Community has completed a downtown revitalization plan within the past five years that meets OCRA's Minimum Technical Requirements.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (100 POINTS):

A maximum of 100 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 2

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

MAIN STREET SCORE (50 POINTS):

Main Street Score: 50 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

___ Community is designated as a Nationally Accredited Indiana Main Street Organization. (20 pts.)

___ The Main Street Organization has a long-term Strategic Plan. (10 pts.)

___ The district is listed on the Indiana or National Register of Historic Places** (10 pts.)

___ The district is eligible for listing on the Indiana or National Register of Historic Places** (5 pts.)

___ The Main Street Organization has a sustainability/fundraising plan in place. (5 pts.)

Project may either be listed on **or eligible for listing on the Indiana or National Register of Historic Places. ***Both cannot be checked.***

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**.** **Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

PROJECT SUSTAINABILITY (50 POINTS):

A maximum of 50 points for the establishment of a (or documentation of existing) permanent Main Street Fund to be used for ongoing downtown revitalization activities such as a revolving loan program, grant program, events, etc.

0 points – under $3,000 philanthropic fund
25 points - $3,000-$5,000 philanthropic fund
50 points - $5,000 or higher philanthropic fund

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

0- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type.

A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction.

MSRP Point Reduction Policy
0-7 years since previous funding – 50 pts

Example:
Community submits and receives a MSRP award for a streetscape project in 2016. When applying for facade rehabilitation in 2022, they would be subject to a point reduction of 50 points. In 2023 they would have no point reduction.

ATTACHMENT F

GRANT EVALUATION CRITERIA
600 POINTS TOTAL

Wastewater/Drinking Water Program (WDW) applications must achieve a minimum score of 300 points to be eligible for award.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (100 POINTS):

A maximum of 100 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 100 points or 100% match, i.e., a project with 75% match will receive 75 points.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**.** **Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

FINANCIAL GAP (25 POINTS):

A maximum of 25 points awarded per $1.00 in financial gap.

OCRA GAP CALCULATION

1. Grant Amount Requested _____
2. Debt Coverage Factor _____
(assume 25%)
3. Total Funds Needed _____
(multiply line 1 by 1.25)
4. Amortization Constant ____.00633__
(4.5% APR)
5. Monthly Payment _____
(multiply line 3 by line 4)
6. O/M Cost Factor _____
(multiply line 5 by .05)
7. Total Monthly Costs _____
(add lines 5 and 6)
8. Number of Users _____
9. Monthly Rate Impact _____
(divide line 7 by line 8)

The result on line 9 should give you the amount that your community would have to increase the monthly rate charged to each customer without grant assistance, given the above assumptions. This is the "gap", which is the amount by which grant funds will reduce or "buy down" your utility rates. This amount added to the actual rates anticipated with OCRA grant funds will give you the rates needed "without OCRA grant funds".

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction.

0 – 7 years since previous funding – 50pts

Example:
Community submits and receives a CDBG award for a new water tower in 2016. When applying for a project consisting of replacing water lines in 2021, they would be subject to a point reduction of 50pts. In 2023 they would have no point reduction.

ATTACHMENT G

GRANT EVALUATION CRITERIA
600 POINTS TOTAL

Blight Clearance Program (BCP) clearance/demotion applications are accepted in a single competitive round. All applications must achieve a minimum score of 360 points to be eligible for award.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**.** **Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

IFA REGISTRY (25 POINTS):

A maximum of 25 points awarded for projects listed on the IFA Brownfield registry (IFA program site number) which indicates prior involvement of the Indiana Brownfield Program.

SITE DEVELOPMENT PLAN (50 POINTS):

A maximum of 50 points will be awarded for projects that have a site development plan for the future use of the Brownfield site.

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 7 years since previous funding – 50pts

ATTACHMENT H

GRANT EVALUATION CRITERIA
700 POINTS TOTAL

Public Facilities Program (PFP) applications must achieve a minimum score of 420 points to be eligible for award.

NATIONAL OBJECTIVE SCORE (100 POINTS):

Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

National Objective = Benefit to Low- and Moderate-Income Persons: 100 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

National Objective Score = % Low/Mod Beneficiaries

The point total is capped at 100 points or 100% low/moderate beneficiaries, i.e., a project with 100% or greater low/moderate beneficiaries will receive 100 points. Below 100% benefit to low/moderate-income persons, the formula calculation will apply.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**.** **Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

1- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

COMMUNITY FACILITY PHILANTHROPIC FUND (50 POINTS):

A maximum of 50 points for the establishment of a (or documentation of existing) permanent Community Facility Philanthropic Fund, to be used for ongoing operation and maintenance activities.

0 points – under $3,000 philanthropic fund
25 points - $3,000-$5,000 philanthropic fund
50 points - $5,000 or higher philanthropic fund

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 7 years since previous funding – 50pts

Example:
Community submits and receives a PFP award for a new library in 2016. When applying for the construction of a library addition in 2019, they would be subject to a point reduction of 50pts. In 2023 they would have no point reduction.

ATTACHMENT I

GRANT EVALUATION CRITERIA
700 POINTS TOTAL

Stormwater Improvements Program (SIP) applications must achieve a minimum score of 420 points to be eligible for award.

NATIONAL OBJECTIVE SCORE (100 POINTS):

Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

National Objective = Benefit to Low- and Moderate-Income Persons: 100 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

National Objective Score = % Low/Mod Beneficiaries

The point total is capped at 100 points or 100% low/moderate beneficiaries, i.e., a project with 100% or greater low/moderate beneficiaries will receive 100 points. Below 100% benefit to low/moderate-income persons, the formula calculation will apply.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (75 POINTS):

A maximum of 75 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 75 points or 75% match, i.e., a project with 75% match or greater will receive 75 points. Below 75% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 50 points
Project Need - is the community need for this project clearly documented? – 125 points
Financial Impact - why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**.** **Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

SUSTAINABILITY (50 POINTS):

A maximum of 50 points for the establishment of, or documentation of existing sustainability plan for the ongoing operation and maintenance activities of the stormwater system.

0 points – under $3 monthly stormwater utility user rate
25 points – $3-$5 monthly stormwater utility user rate
50 points - $5 or higher monthly stormwater utility user rate

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction.

0 – 7 years since previous funding – 50pts

Example:
Community submits and receives a SIP award for a stormwater system project in 2016. When applying for a SIP project in 2021, they would be subject to a point reduction of 50pts. In 2023 they would have no point reduction.

ATTACHMENT J

GRANT EVALUATION CRITERIA
350 POINTS TOTAL

Public Facilities Program (PFP) applications must achieve a minimum score of 210 points to be eligible for award.

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Services Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum awarded according to the evaluation in three areas:

Program Design– is the project clearly defined as to determine eligibility? – 100 points
Local Economic Conditions - is the community/regional need for this project clearly documented? – 75 points
Financial Impact - why is grant assistance necessary to complete this project? – 50 points
Local Effort – what efforts have been made to form partnerships with industry and community leaders? – 75 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**.** **Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 7 years since previous funding – 50pts

ATTACHMENT K

CITIZEN PARTICIPATION PLAN
INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (STATE)

The State of Indiana, Office of Community and Rural Affairs, pursuant to 24 CFR 91.115, 24 CFR 570.431 and 24 CFR 570.485(a) wishes to encourage maximum feasible opportunities for citizens and units of general local government to provide input and comments as to its Methods of Distribution set forth in the Office of Community and Rural Affairs' annual Consolidated Plan for CDBG funds submitted to HUD as well as the Office of Community and Rural Affairs' overall administration of the State's Small Cities Community Development Block Grant (CDBG) Program. In this regard, the Office of Community and Rural Affairs will perform the following:

1. Require each unit of general local government to comply with citizen participation requirements for such governmental units as specified under 24 CFR 570.486(a), to include the requirements for accessibility to information/records and to furnish citizens with information as to proposed CDBG funding assistance as set forth under 24 CFR 570.486(a)(3), provide technical assistance to representatives of low-and-moderate income groups, conduct a minimum of two (2) public hearings on proposed projects to be assisted by CDBG funding, such hearings being accessible to handicapped persons, provide citizens with reasonable advance notice and the opportunity to comment on proposed projects as set forth in Title 5-3-1 of Indiana Code, and provide interested parties with addresses, telephone numbers and times for submitting grievances and complaints.

2. Consult with local elected officials and the Office of Community and Rural Affairs Grant Administrator Networking Group in the development of the Method of distribution set forth in the State's Consolidated Plan for CDBG funding submitted to HUD.

3. Publish a proposed or "draft" Consolidated Plan and afford citizens and units of general local government the opportunity to comment thereon.

4. Furnish citizens and units of general local government with information concerning the amount of CDBG funds available for proposed community development and housing activities and the range/amount of funding to be used for these activities.

5. Hold one (1) or more public hearings respective to the State's proposed/draft Consolidated Plan, on amendments thereto, duly advertised in newspapers of general circulation in major population areas statewide pursuant to I.C. 5-3-1-2 (B), to obtain the views of citizens on proposed community development and housing needs. The Consolidated Plan Committee published the enclosed legal advertisement to thirteen (13) regional newspapers of general circulation statewide respective to the public hearings held on the 2016 Consolidated Plan. In addition, this notice was distributed by email to over 1,000 local officials, non-profit entities, and interested parties statewide in an effort to maximize citizen participation in the FY 2016 consolidated planning process:

The Republic, Columbus, IN
The Corydon Democrat and Clarian News, Corydon, IN
Indianapolis Star, Indianapolis, IN
The Journal-Gazette, Fort Wayne, IN
The Salem Leader and Salem Democrat, Salem, IN
Scott County Journal, Scottsburg, IN
The News and Tribune, Jeffersonville, IN
The Chronicle-Tribune, Wabash, IN
Gary Post Tribune, Gary, IN
Tribune Star, Terre Haute, IN
Journal & Courier, Lafayette, IN
Evansville Courier, Evansville, IN
South Bend Tribune, South Bend, IN
Palladium-Item, Richmond, IN
The Times, Munster, IN
The Star Press, Muncie, IN

6. Provide citizens and units of general local government with reasonable and timely access to records regarding the past and proposed use of CDBG funds.

7. Make the Consolidated Plan available to the public at the time it is submitted to HUD, and;

8. Follow the process and procedures outlined in items 2 through 7 above with respect to any amendments to a given annual CDBG Consolidated Plan and/or submission of the Consolidated Plan to HUD.

In addition, the State also will solicit comments from citizens and units of general local government on its CDBG Performance Review submitted annually to the U.S. Department of Housing and Urban Developments (HUD). Prior to its submission of the Review to HUD, the State will advertise regionally statewide (pursuant to I.C. 5-3-1) in newspapers of general circulation soliciting comments on the Performance and Evaluation Report.

The State will respond within thirty (30) days to inquiries and complaints received from citizens and, as appropriate, prepare written responses to comments, inquiries or complaints received from such citizens.

IHCDA CDBG and CDBG-D OOR Application Policy

Part 1: Application Process

1.1 Overview and Funding Priorities

The purpose of the Community Development Block Grant Owner-Occupied Rehabilitation and Repair Program is to provide subsidies in the form of grants to selected applicants for the rehabilitation of owner-occupied housing for low to moderate-income people. Through this program, IHCDA seeks to improve the quality of the existing housing stock in Indiana.

This program is designed to allocate CDBG and CDBG Disaster (CDBG-D) funds to be used for Owner-Occupied Repair (OOR) among selected applicants who have projects that meet IHCDA's requirements and goals for the program:

1. Demonstrate they are meeting the needs of their specific community.
2. Attempt to reach low and very low-income levels of Area Median Income (AMI).
3. Are ready to proceed with the activity upon receipt of the award.
4. Propose projects that assist individuals with disabilities.
5. Propose the use of Minority Business Enterprise and/or Women-Owned Business Enterprise and Indiana contractors, employees, and products.

1.2 CDBG OOR Application Forms and CDBG OOR Policy Discrepancies

In the event of a conflict or inconsistency between the CDBG Application Forms and/or Appendices, the procedures described in the CDBG OOR Application Policy will prevail.

1.3 Funding Round Timelines

Note: This is an anticipated schedule and is subject to change or extension.

Fiscal Year 2016 Round:

Application Available / Round Begins	May 2, 2016
Application Webinar	June 2016 (date and time TBD)
Application Due Date	July 1, 2016
Award Announcements	August 26, 2016

1.4 Application Webinar

An application webinar will be conducted prior to the application deadline. During the webinar, IHCDA Real Estate Production Department staff will describe the requirements of the OOR program, threshold and scoring criteria, how to complete the required forms, and how to utilize the FTP site. Local Units of Government and Not-for-Profit entities intending to apply are strongly encouraged to attend the application webinar.

1.5 Technical Assistance

The Applicant may, but is not required, to schedule a technical assistance meeting withtheir regional IHCDA Real Estate Production Analyst to discuss both the proposed project and IHCDA's application process. Technical assistance may be required at IHCDA's discretion if the applicant does not have

experience with IHCDA awards or if past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

1.6 Application Submission

Applicants must submit the following items to IHCDA's Real Estate Department Coordinator:

- Via IHCDA's FTP site:
    - One completed copy of the final application forms
    - All supporting documents required in the tabs. Please submit this information as separate, labeled PDF documents,each labeled to indicate the appropriate tab. The Tab label directory is located at the end of IHCDA CDBG and CDBG-D OOR Application Policy (this "Application Policy"). Do not send one PDF containing all of the supporting documentation.
- Via hard copy:
    - One completed copy of the final application forms with original signatures

All required application items are due no later than 5:00 p.m. Eastern Standard Time, on or before the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Instructions on how to utilize the FTP site will be explained during the application webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: CDBG and CDBG-D OOR Application
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

All applicants must retain a copy of this application package for their records. Applicants that receive funding will be bound by the information contained herein.

IHCDA will send an email confirmation to the applicant contact within one week of submission notifying the applicant of receipt by IHCDA. Please notify the Real Estate Department Coordinator if the applicant would like to add an additional contact person for communications regarding the 2015 CDBG and CDBG-D OOR Application.

1.7 Application Review

Each application must address only one development. Applications are reviewed in a seven step process:

Step One – Completeness	IHCDA reviews to determine if the applicant must provide all required documents, signatures, and attachments before the application deadline.

Step Two – Preliminary Threshold	IHCDA reviews application and submitted documents to determine if the application meets the minimum threshold criteria for awards.
Step Three – Threshold Clarification	IHCDA provides preliminary threshold review information to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. If the applicant responds, it must be by the deadline set by IHCDA.
Step Four – Final Threshold	IHCDA reviews applicant's response to preliminary threshold and determines if applicant meets threshold. If applicant does not meet threshold, the application may not be not scored and may not be awarded funding.
Step Five – Preliminary Scoring	Applications that pass the completeness and threshold reviews are scored according to IHCDA's published scoring criteria in this policy.
Step Six – Scoring Clarification	IHCDA provides a preliminary score sheet to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. No new scoring documentation may be submitted after the initial application has been submitted. Any response must be received by the deadline set by IHCDA.
Step Seven – Final Scoring	IHCDA reviews applicant's response to preliminary scoring and determines a final application score. Applications with more than three outstanding threshold and/or scoring clarifications at final threshold or final scoring, respectively, will be disqualified. IHCDA determines which applications will be funded based on their final scores. Some applications may receive less than their total request amount based on the total funding available.

Bonus points will be awarded to applications that require no clarifications.

Funded applications will be announced at the published IHCDA Board Meeting date in July. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified via a denial letter and final score sheets which will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will **not** be rolled over into the next funding round.

1.8 Minimum Score Requirement

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

1.9 IHCDA CDBG & HOME Program Manual 3rd Edition

The IHCDA CDBG & HOME Program Manual outlines the requirements for administering IHCDA's CDBG awards. A complete copy of the CDBG & HOME Program Manual is available on IHCDA's website at this location:
http://www.in.gov/myihcda/files/CDBG_and_HOME_Program_Manual_3rd_Edition.pdf
Program Manual exhibits may be found at http://www.in.gov/myihcda/2490.htm

Part 2: Eligible Applicants

2.1 Eligible Applicants

Community Development Block Grant (CDBG)	**Cities, Towns, and Counties that are not CDBG entitlement communities:** (Entitlements listed below)	**Cities, Towns, and Counties that are CDBG entitlements:** (Entitlements listed Below)	**CDBG-D Non-eligible counties:** (Listed on page 5)	**501(c)3 and 501(c)4 Not-for-Profit Organizations**	**Joint Venture Partnerships**	**For Profit Entities organized under the State of Indiana**
Eligible Applicants:	✓	Not eligible.	✓	Not eligible.	Not eligible.	Not eligible.
Community Development Block Grant Disaster (CDBG-D)	**Cities, Towns, and Counties that are not CDBG entitlement communities:** (Entitlements listed below)	**Cities, Towns, and Counties that are CDBG entitlements:** (Entitlements listed Below)	**CDBG-D Non-eligible counties:** (Listed on page 5)	**501(c)3 and 501(c)4 Not-for-Profit Organizations**	**Joint Venture Partnerships**	**For Profit Entities organized under the State of Indiana**
Eligible Applicants:	✓	✓	Not eligible.	✓	Not eligible.	Not eligible.

CDBG OOR Funds

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of CDBG entitlement communities and whose proposed activities are consistent with the State's HUD-approved Consolidated Plan. Not-for-profit 501(c)3 or 501(c)4 organizations, public housing authorities, regional planning commissions, and/or townships are encouraged to participate in activities as sub-recipients of local units of government but must apply through a sponsoring eligible city, town, or county.

The following CDBG entitlement communities are not eligible to apply for CDBG funds:

Anderson	East Chicago	Gary	Indianapolis**	LaPorte	New Albany
Bloomington	Elkhart	Goshen	Kokomo	Michigan City	South Bend
Columbus	Evansville	Hamilton County*	Lafayette	Mishawaka	Terre Haute
	Fort Wayne	Hammond	Lake County	Muncie	West Lafayette

*The following communities in Hamilton County are eligible for CDBG funds: Arcadia, Atlanta, Cicero and Sheridan.

**Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is located outside of Marion County.

CDBG Disaster OOR Funds

Eligible applicants include not-for-profit 501(c)3 or 501(c)4 organizations, cities, towns, or counties that are located in Indiana but outside of the below ineligible CDBG Disaster counties.

Cities, towns, and counties within the following counties are NOT eligible to apply for CDBG-D funds:

Blackford	Clinton	Delaware	Howard	Lagrange
Miami	Steuben	Tipton	Warren	Wells

***Note: Entitlement communities that are not eligible to apply for CDBG funding are eligible to apply for CDBG-D funding.**

Proposed activites from eligible counties must be consistant whose proposed activities are consistent with the State's HUD-approved Disaster Plan.

2.2 Ineligible Applicants

IHCDA reserves the right to disqualify any application from an applicant, a subrecipient, administrator, preparer, or related party with a history of disregarding policies, procedures, or staff directives associated with administering any program through IHCDA. This also applies to programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs ("OCRA"), the U.S. Department of Housing and Urban Development ("HUD"), the U.S. Department of Agriculture - Rural Development ("USDA"), or the Federal Home Loan Bank ("FHLB").

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

2.3 Religious and Faith-Based Organizations

i. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the OOR program. Neither the Federal Government nor a State or local government receiving funds under the OOR program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

ii. Beneficiaries. In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

iii. Separation of explicitly religious activities. Recipients and subrecipients of OOR program funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.

iv. Religious identity. A faith-based organization that is a recipient or subrecipient of OOR program funds is eligible to use such funds as provided under the regulations of this part without impairing

its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, an OOR program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

v. Alternative provider. If a program participant or prospective program participant of the OOR program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.

vi. Structures. Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the OOR program. Sanctuaries, chapels, or other rooms that a OOR program-funded religious congregation uses as its principal place of worship, however, are ineligible for OOR program-funded improvements. Disposition of real property after the term of the grant, or any change in the use of the property during the term of the grant, is subject to government wide regulations governing real property disposition (see 2 CFR 200.311).

vii. Supplemental funds. If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

Part 3: Eligible Activities & Program Requirements

3.1 Eligible Activities

This program seeks to help homeowners make the necessary repairs to their homes that allow them to enjoy them for many years to come. The program is intended for the rehabilitation of owner-occupied housing where the homeowner lives as his or herprimary residence.

- To be eligible for owner-occupied repair (OOR), the homeowner beneficiary must be low-income and occupy the property as a principal residence. A household owns a property if that household:
  - Has fee simple title to the property; or
  - Maintains a 99-year leasehold interest in the property; or
  - Owns a condominium; or
  - Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
  - A life estate, if the person who has the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent.

  Ownership **does not** include life estates (unless meeting the criteria listed above) or land sale contracts/contracts for deeds.

- Eligible repairs:
  - Minor repairs which can include (but are not limited to) an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
  - Any major household system repaired or replaced as part of the rehabilitation process must meet the stricter of the Indiana State Building Code or local building codes.
  - Funds may be used to remedy conditions that, while not posing an immediate threat to health and safety, represent an ongoing threat to the structural integrity of a building and may eventually result in an emergency situation.

  Owner-occupied repairs are subject to a repair priority List (see Application Appendices) when determining scope of work.

- Rehabilitation of owner-occupied manufactured homes. Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
  - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
    - Shall have been constructed after January 1, 1981, and must exceed 950 square feet of occupied space per I.C. 36-7-4-1106 (d);
    - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
    - Has wheels, axles and towing chassis removed;

- Has a pitched roof;
- Consists of 2or more sections which, when joined, have a minimum dimension of 20' X 47.5' enclosing occupied space; and
- Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
- All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCDA.

3.2 Ineligible Activities

The following are ineligible activities:

- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- The provision of project-based tenant rental assistance;
- Rehabilitation of mobile homes, unless they meet the criteria listed above;
- Acquisition, rehabilitation, or new construction if any part of a project or its land is located within the boundaries of a 100year floodplain. A flood determination must be provided for each parcel associated with the project; and
- Rehabilitation of multi-family or single-family rental housing or a garage.

In addition, IHCDA **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, or gender identity in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities; and
- Medical research or medical profit-making enterprises.

3.3 OOR Program Requirements

The proposed OOR project must follow these minimum requirements, and all other requirements set forth in the CDBG & HOME Program Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's CDBG & HOME Program Manual. The link and the appropriate chapters are included.

CDBG AND CDBG-D REQUIREMENTS

- Recipients must comply with all regulatory requirements listed in 24 CFR Part 570.

Applicants should familzise themselves with IHCDA's CDBG % HOME Program Manual. Requirements include, though are not limited to the following

- **Policy Requirements, Chapter 1:**

- Recipient must hold a minimum of two (2) public hearings, each at a different stage of the process, for the purpose of obtaining citizens' input and responding to proposals and questions.
- The match/leverage requirement for both the CDBG and CDBG-D programs is 10%of the total amount of CDBG or CDBG-D funds drawn minus administration costs. (IHCDA CDBG & HOME Program Manual, Policy Requirements Chapter 1)
- The homeowner beneficiary must own the property and must occupy the property as a principal residence.
  - If there is a long-term lease agreement on the property, a 99-year lease must be recorded in the county recorder's office of the county in which the property is located prior to award document preparation.
  - Ownership does not include life estates and land sale contracts/contracts for deeds.

- **Lead Based Paint, Chapter 2:**
  - Each recipient of a CDBG award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed.
- **Uniform Relocation Act, Chapter 4:**
  - Each recipient of a CDBG award is subject to the requirements of the Uniform Relocation Act. See the IHCDA's CDBG & HOME Program Manual Chapter 4 on URA for guidance on the regulatory requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.
- **Fair Housing and Civil Rights, Chapter 5:**
  - Every recipient must demonstrate that it will complete an action to affirmatively further fair housing during the time frame of an award.
- **Section 3, Chapter 7:**
  - Any recipient receiving an aggregate amount of $200,000 or more from one (1) or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.
- **Income Eligibility and Verification, Chapter 8:**
  - The homeowner beneficiary must be income eligible. Each household must have an annual income equal to or less than 80% of the area median family income for the target area. The HUD Part 5 definition of income applies.
  - Income verification is valid for a period of six months. If more than six months pass between income verification and contract execution a new income verification must be completed.
- **Procurement Procedures, Chapter 11:**
  - Award recipients will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the

affordability period of the award. Additionally, owner-occupied rehabilitation program regulations require that adequate property insurance be maintained throughout the affordability period. The recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the CDBG award.

- **Environmental Review, Chapter 11:**
  - All applicants are required to complete the environmental review record (ERR) and submit it, in hardcopy, with their application as an application threshold item. The resulting IHCDA Release of Funds is required before fully executed award documents are released and before proceeding with the project.
- **Construction Standards (Construction Standards and Physical Inspections, Chapter 14):**
  - All IHCDA-assisted units must be inspected twice during the award period. The first inspection, by a licensed, or IHCDA approved, third party building inspector, must occur within four weeks of completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The final inspection conducted by an IHCDA inspector must be performed after the independent inspection, upon completion of construction on each unit and correction of any findings from the first inspection. (IHCDA CDBG & HOME Program Manual, Construction Standards & Physical Inspections Chapter 14)
- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.
- Before an applicant can apply for a new HOME, CDBG or CDBG Disaster award, any other HOME, CDBG or CDBG Disaster awards that the applicant has received from IHCDA must be drawn down by a minimum of 25% of the award's total funding amount.

CDBG-D SPECIFIC REQUIREMENTS

- Each homeowner beneficiary assisted with CDBG-D funds must execute a Duplication of Benefits Affidavit ("Affidavit"). A copy of this affidavit must be attached to the applicant's award agreement with IHCDA as Appendix A. This Affidavit must be maintained in the applicant's client files.

3.4 Affordability Requirements

HOMEOWNER OOR AGREEMENT

The recipient must ensure that each property owner who receives assistance executes an homeowner OOR agreement created by IHCDA. The homeowner OOR agreement must be executed prior to the lien and restrictive covenant agreement and will explain to the homeowner the requirements associated with the assistance. The homeowner OOR agreement does not take the place of the lien and restrictive covenant agreement and does not need to be recorded.

LIEN AND RESTICTIVE COVENANT AGREEMENT

The recipient must ensure that a lien and restrictive covenant is executed and recorded on every property that receives assistance. The lien and restrictive covenant agreement and any amendments must be created by IHCDA.

AFFORDABILITY PERIOD

The affordability period for a property begins on the date the completion report for that property is submitted and approved. Therefore, it is in the homeowner's best interest for the recipient to submit the completion reports to IHCDA as soon as possible.

Completion reports must be submitted within 45 daysupon completion of the contracted rehabilitation work. The award will be considered completed and closed when all completion and close out documents have been submitted and approved, third party inspection (within 30 days of construction) and inspection by IHCDA is completed for each address, final compliance monitoring is completed and when any findings or concerns are resolved, all of the funds are drawn and/or de-obligated.

During the affordability period the home must remain the owner's principal place of residency. (IHCDA CDBG & HOME Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15).

The following Affordability Periods apply to both CDBG & CDBG-D activities:

Amount of CDBG or CDBG-D subsidy per unit:	Affordability Period
Under $5,000	1 year
$5,000.01 - $10,000	2 years
Over $10,000.	3 years

RECAPTURE OF ASSISTANCE

If any of the following events occurs, IHCDA will recapture the amount of amount of eligible CDBG-D funding associated with the rehabilitation including, ER, Lead and Program Delivery.

A. the homeowner transfers or conveys the property by deed, land contract, or otherwise;

B. foreclosure proceedings are commenced against the property;

C. the property is transferred by an instrument in lieu of foreclosure; or

D. the title to the property is transferred from the homeowner through any other involuntary means.

However, if the property is transferred or conveyed to a new owner who meets the income requirements (with income documentation approved by IHCDA), who agrees to execute a lien and restrictive covenant prepared by IHCDA, and willuse the property as his or her principle residence for the remainder of the affordability period, no recapture of funds are required.

If the homeowner passes away during the affordability period, the lien still must be paid off like any other mortgage or lien, however if the property is sold to another low income family who is willing to maintain a lien on the property for the remainder of the affordability period and use the property as his or her principle residence, no recapture of funds is required. Once the homeowner dies the lien will not be forgiven past that date.

AMOUNT OF RECAPTURE

The amount to be recaptured shall be shall be reduced on a pro rata basis, by dividing the amount of time the homeowner(s) has used the housing for a principal residence during the affordability period by the total amount of time in the affordability period If there are not any proceeds, there is no amount to recapture.

Net proceeds are defined as the total sales price minus all loan and/or lien repayments. The forgiveness ratio is defined as the ratio that calculates the amount of the subsidy that is forgiven. This ratio shall be calculated at the time of a Recapture Event, by dividing the number of full months that owner occupies the property as its principal residence by the total of number of months in the affordability period. The Recipient is ultimately responsible for repaying IHCDA funds utilized for any housing rehabilitated, or repaired that does not remain affordable for the entire affordability period.

NON-COMPLIANCE.

Non-compliance occurs during the affordability period when any of the following occur: 1) the homeowner no longer occupies the property as his or her principal residence (i.e., the property is rented or vacant), or 2) the property was sold during the affordability period and the recapture provisions were not enforced and/or neither IHCDA nor the recipient received notice. In the event of noncompliance, the owner must repay the entire amount of the IHCDA funds that were invested into the property. Net Proceeds ("as defined above") and the forgiveness are not applicable when there is a non-compliance. **THEREFORE, IT IS IMPERATIVE THAT THE OWNER DOES NOT ABANDON OR LEASE THE PROPERTY DURING THE AFFORDABILITY PERIOD.**

The recipient is ultimately responsible for repaying IHCDA any CDBG or CDBG-D funds invested into any unit that does not meet the affordability requirements throughout the Affordability Period. The Affordability Period is based upon the total amount of CDBG or CDBG-D funds invested into the unit as shown in the chart above. (IHCDA CDBG & HOME Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15).

Part 4: Subsidy Limitations & Eligible Activity Costs

4.1 Subsidy & Budget Limitations

The maximum request amount per application is **$350,000**.

CDBG and CDBG-D funds may not exceed $25,000 per unit for the rehab budget line item.

Combined CDBG and CDBG-D funds budgeted for program delivery, award administration, and environmental review cannot exceed twenty percent (20%) of the OOR award.

4.2 Eligible Activity Costs

The bolded items listed below are included in the application budget. The requirements set forth in Sections 4.3 – 4.9 apply to both CDBG and CDBG-D funding. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

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

REHABILITATION – Eligible costs include:

- Hard costs associated with rehabilitation activities for owner-occupied repairs. Examples of eligible repairs are an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
- Lead-based paint interim controls and abatement costs.
- Mold remediation.
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety.
- Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served.

PROGRAM DELIVERY - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed 20% of the CDBG or CDBG-D request. Recipients are allowed to draw down this line item as costs are incurred.

Eligible costs include:

- Engineering/Architectural Plans
- Credit reports
- Client in-take / Income verification
- Plans, specifications, work write-ups
- Title Searches
- Impact fees
- Inspections
- Cost estimates
- Building permits
- Recording fees
- Demolition permits
- Travel to and from the site

- Legal and accounting fees

RELOCATION - Relocation includes payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, not-for-profit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCDA's CDBG & HOME Program Manual.

LEAD HAZARD TESTING – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are $1,000 per unit.

ADMINISTRATION - The administration line item includes those costs directly related to administering the IHCDA award and complying with the regulations associated with these funds. This line item along with program delivery and environmental review cannot exceed twenty percent 20% of the CDBG or CDBG-D request; costs incurred and claimed cannot exceed $10,000. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCDA are not eligible for reimbursement through a CDBG award.

Eligible costs include:

- Postage
- Office materials and supplies
- Photocopying
- Office rent and utilities
- Travel related to the housing activity
- Communication costs
- Lead based paint training
- Staff time or professional services related to reporting, compliance, monitoring, or financial management
- Training related to the housing activity

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the Environmental Review Release of Funds process. This does not refer to a Phase I Environmental Assessment (Phase I EA ahould be included in the Program Delivery line item). This line item along with program delivery and administration cannot exceed 20% of the CDBG or CDBG-D request. Eligible costs cannot exceed $5,000. and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCDA CDBG & HOME Program Manual.

4.3 Ineligible Activity Costs

The following are ineligible activity costs, and will not be reimbursed by IHCDA:

- Commercial development costs – both CDBG and CDBG-D awards cannot be used to underwrite any portion of commercial development costs.
- Replacement Reserves – Funds used to initially capitalize a reserve fund used for major capital repairs to a permanent supportive or rental housing facility. These funds cannot be applied to a CDBG or CDBG-D award. These funds can be capitalized either through operating cash flow or through the development budget on the Uses of Funds exhibit.

- Operating Reserves – Funds used to initially capitalize a reserve fund that covers operating expenses when there are rental income shortfalls over the life of a permanent supportive or rental development. This line item must be included on the Uses of Funds exhibit. These funds cannot be applied to a CDBG or CDBG-D award.
- Developer's Fee – CDBG and CDBG-D funds cannot be used to pay developer's fees.
- Costs associated with preparing an application for funding through IHCDA.
- Purchase or installation of luxury items, such as swimming pools or hot tubs.
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Purchase or installation of stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners.
- Providing tenant based rental assistance.
- Mortgage default/delinquency correction or avoidance.
- Loan guarantees.
- Annual contributions for operation of public housing.
- Costs associated with any financial audit of the recipient.

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Part 5: Completeness & Threshold Requirements

Each proposed project must satisfy the Federal requirements of the CDBG and CDBG-D OOR program and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

5.1 Completeness Requirements

1) Timeliness – All documentation must be turned in by the application due date.

i. On or before the application deadline, the applicant must provide all documentation as instructed in this Application Policy as well as required documentation listed in the CDBG and CDBG-D OOR Application Forms.

ii. If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.

Any forms that are late will be denied review and will be sent back to the applicant.

2) Responsiveness – All questions must be answered and all supporting documentation must be provided.

i. The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)

ii. Required pages with original signatures.

5.2 Threshold Requirements

Threshold Checklist	
All documentation must be issued/ dated within six months of the Application deadline. A threshold Checklist can be found in the CDBG and CDBG-D OOR Application Forms.	
Threshold Item:	**Tabs:**
Completeness	
Turn in the CDBG and CDBG- D OOR Application and supporting documents via the FTP Site and send one complete original copy of the signed application forms to IHCDA by the application deadline	
Application Cover Page Tab in Application Forms:	
SAM Registration Submit a copy of the applicant's System of Award Management (SAM) registration. https://www.sam.gov/portal/SAM/#1	Tab A, Sam Registration
Procurement If an organization, different than the applicant, will be administering the proposed award for the life of the affordability period, please provide documentation that proves that the grant administrator has been properly procured using the Competitive Negotiation (RFP) Procedure. • Submit a copy of the Request for Proposals (RFP) sent out. • Submit the two published bid advertisements that were put in a general circulation newspaper at least 14 days before the Bids were due and at least 7	Tab B, Procurement

days apart. • Signed contract between applicant and administrator (if applicable)	
Application Summary Tab in Application Forms:	
Public Hearing Two public hearings are required for CDBG funding. One public hearing MUST occur prior to application submittal. Please provide the following: • *Original tear sheet or original publisher's affidavit of legal notice that includes the date of the public hearing and the date of notice publication. Under Indiana Code (I.C. 5-3-1-2 (B)) there must be a minimum of one legal notice at least 10 calendar days prior to the public hearing.* • *Describe methods used to solicit participation of low and moderate-income persons.* • *A copy of the sign-in sheet.* • *A copy of the minutes of the public hearing, which must include the date and time of the meeting, the name and title of the person running the meeting anyone who presented at the meeting, and all content posed to the public.* • *Describe any comments/complaints received and responses to the comments/complaints.*	Tab C, Public Hearing
HUD or Rural Development Funding If the proposed project has received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development office notifying them that an application is being submitted to IHCDA for federal funding. Please provide a copy of the letter and proof of delivery (email read receipt, mail delivery receipt, etc.)	Tab D, HUD & RD
Highest Elected Official Notification If the applicant is a not-for-profit organization, they must notify the highest locally elected official that they are submitting an application to IHCDA for federal funding. Please provide a copy of the letter and proof of delivery (email read receipt, mail delivery receipt, etc.)	Tab E, LUG
Proof of Good Standing If the applicant is a not for profit organization they must provide proof that the organization is in good standing with the Secretary of State. Please provide a copy of the Certificate of Existence from the Indiana Secretary of State.	Tab F, Proof of Good Standing
Duplication of Benefits • If the applicant is awarded CDBG-D funding (disaster funding) each homeowner will be required to disclose and sign the "Duplication of Benefits Affidavit" found in the application forms. • Please answer question in application showing that applicant understands this	Application Forms

requirement If they receive CDBG-D funding.	
Environmental Review Record Environmental Review Forms (Exhibits A, B,E, F, the findings page, and the signature page) must be submitted with the application. Once awarded, exhibit G will then be submitted for each address. Please keep in mind that once awarded, all historic reviews (a part of the ERR) must be sent to the State Historic and Preservation Office for approval, which adds 30 days to the approval process for Release of Funds. For more detailed instructions, and the ERR forms, please refer to the exhibits for Chapter 11 of the IHCDA Program Manual, here: http://www.in.gov/myihcda/2490.htm	Tab G, Environmental Review
Floodplain Determination Acquisition, rehabilitation, refinancing, or new construction of any part of a project, or its land, located within the boundaries of a 100 year floodplain is not eligible. A floodplain determination must be submitted for each parcel associated with the project. Please submit floodplain determination(s).	Tab G, Environmental Review
Furthering Fair Housing All CDBD/-D award recipients must take action to affirmatively further fair housing in the jurisdiction it is serving. Please select which furthering fair housing activity you will be conducting on "App summary" tab of application forms.	Application Forms
Area Median Income Level served Commit to assisting households at or below 80% of the Area Median Income for the county. Answer question the coordinating question in the "App Summary" Tab in the application forms.	Application Forms
Grievance procedures Please provide a brief explanation as to how beneficiary conflicts will be resolved on the "App Summary" tab of the application forms. The abbreviated version of the grievance procedures must address (1) how grievances will be submitted, (2) who will review them, (3) timeframe for the review, and (4) the appeal process.	Application Forms
Third Party Inspection A third party inspection must be completed within four weeks of construction completion on each address. If construction is completed at different times, different third party inspections must be completed.	Application Forms
Narrative Tab in the Application Forms:	
Project Narrative Please provide detailed description to the questions asked on the "Narrative" tab on the application forms about the owner-occupied repair program that the applicant is proposing.	Application Forms
Sources and Uses Tab in the Application forms:	
Please submit all signed letters of commitment with funding terms and amounts.	Tab I,

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	Financing
Please submit all supporting documentation for in-kind donations to demonstrate value.	Tab I, Financing
Budget Tab in the Application Forms:	
Please complete budget tab in the "budget" tab of the application forms.	Application Forms
Match & Leverage Tab in the Application Forms:	
The match requirement for the CDBG and CDBG-D OOR program is 10% of the total amount of CDBG or CDBG-D OOR funds requested minus administration and environmental review costs. Match must be committed prior to submitting an application for CDBG and CDBG-D OOR funding to IHCDA and to pass threshold review. Banked match is eligible. Submit the relevant sections of the Leverage Spreadsheet provided as an excel workbook for OOR applications.	Tab I, Financing
Please submit Leverage Letters of Commitment.	Tab I, Financing
Please submit Match Letters of Commitment.	Tab I, Financing
Supporting documentation for all sources of leverage and match utilized must be included with this application.	Tab I, Financing

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Part 6: Scoring

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

Scoring Category	Points Possible
Project Characteristics	12
Readiness	8
Capacity	21
Financing	12
Unique Features	5
Completeness Bonus	5
Total Possible Points	**63**

When there is a scoring criteria based on the county being served and there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number. An application must score at least 40 points to be considered for funding.

6.1 Project Characteristics — Category Maximum Points Possible: 12

There are 12 total possible points for this scoring category, which describes the proposed OOR project. The points can be achieved through the following sub-categories: Area Median Income (AMI) served, Serving Disabled individuals, and Underserved Communities.

1) *Area Median Income (AMI) Served:* *Maximum Number of Points: 6*
   If the development commits to serving beneficiaries in IHCDA-assisted units with maximum incomes lower than required by the CDBG and CDBG-D program, points will be awarded in accordance with the following chart. Percentages are of the Area Median Income (AMI) for the county in which the development is to be located. There is a maximum of six points in this category. In order to get points for a percentage of population served, the project needs to commit to the percentages listed in the chart below at the designated AMI levels. Awarded recipients will be held to the unit commitment in their award agreement. Changes to the AMI levels will require prior IHCDA approval.

Constituency Served	Points
20% of Population served at or below 30% AMI	6

2) *Serving Disabled Individuals* *Maximum Number of Points: 3*
   Points will be awarded to applicants that target populations with special housing needs under IHCDA's priority in accordance with the following guidelines and chart:

Target Population	Points
At least 20% of assisted households will have at least one individual living in the home with a disability using the Fair Housing definition of	3

disabled (see glossary). Applicants electing this targeting option must enter into a referral agreement with a qualified organization that provides services for the target population. See part 4.1(F) of the *Federal Programs Ongoing Rental Compliance Manual* for more information on referral agreements. *Submit Referral Agreement Form C in **Tab J: Serving disabled individuals**. A boilerplate Referral Agreement can be found in the Appendices as part of this application package.*	

3) *Underserved Communities* *Maximum Number of Points: 3*

Points will be awarded to applicants whose proposed service area is a town, city, or county that has not received an Owner Occupied-Repair award within the last five years

For Clarification:

- *If a county has received an OOR award within the last five years, but a more local unit of government within that county would like to apply that has not received an award within the last five years(i.e. a city), that city **is** eligible for points in this category.*
- *If a city within a county has received an OOR award within the last five years, but the county level of government would like to apply for an award and has not received an OOR award within the last five years, the county **is** eligible for points in this category.*

6.2 Project Readiness

Category Maximum Points Possible: 8

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

1) *Client Intake* *Maximum Number of Points: 6*

Points will be awarded to applicants that have already begun the client intake process, according to the chart below. Client intake means that potential clients have been identified, are interested in participating in the OOR program, and are income verified.

% of Assisted Units	Points
25 - 50% of the units	2
51 - 75% of the units	4
76 - 100% of the units	6

In order to receive points in this category, the applicant must submit:

- *Form B: Client Intake List in **Tab K: Client Intake**.*

2) *Contractor Solicitation* *Maximum Number of Points: 2*

Points will be awarded to applicants who invite material participation in the proposed OOR development by Indiana contractors. To qualify for these points, a minimum of five letters inviting contractors to participate in the bidding of the project must be sent, with at least 20% of

these letters going to state certified minority business enterprises (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE), Veteran- Owned Small Business (VOSB), and/or Service Disable Veteran Owned Small Businesses (SDVOSB).

*In order to receive points, the applicant must submit in **Tab L: Contractor Solicitation**:*

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

Minority Business Enterprise and Women Business Enterprise, including DMBE (Disadvantaged Minority Business Enterprise), and (Disadvantaged Woman Business Enterprise) and DMWBE (Disadvantaged Minority Woman Business Enterprise), means as an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more persons who are: (a) United States Citizens and (b) 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.

DBEs are for-profit small business owned or controlled by 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 maintains the Department of Veterans Affairs (VA) database of service-disabled veteran owned small businesses (SDVOSB) and veteran-owned small businesses (VOSB) called the Vendor Information Pages (VIP). The VIP database is accessed via www.VetBiz.gov. CVE performs the verification process for small businesses that self-represent themselves as veteran owned and controlled called the VA VOSB Verification Program.

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://imsdc.org
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2576.htm
VOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/
SDVOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/

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6.3 Capacity **Category Maximum Points Possible: 26**

This category evaluates the administering entity responsible for compliance throughout the affordability period on their ability to successfully carry out the proposed OOR project based on certifications, experience, and overall award performance on previous awards.

1) *Certifications* *Maximum Number of Points: 6*

Points will be awarded to team members from the administering entity who have received the certifications listed below. Six points will be awarded for the completion of two of the four certifications listed below. The completion of only one of the certifications below will receive three points.

- If you do not see a certification you have received on the list that you believe would be relevant, please consult with your Real Estate Production Analyst.
- Required IHCDA Compliance Trainings, IHCDA application/policy webinars, IHCDA application/policy trainings and/or IHCDA feedback sessions do not count for points in this category.

Attach documentation of certification completions, or confirmation of attendance in **Tab M: Certifications**.

Certifications:	Sponsoring Organization
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis/Indiana Housing and Community Development Authority
Current CDBG Grant Administration Certification	Office of Community and Rural Affairs, State of Indiana
HOME & CDBG Certification Training	Indiana Housing and Community Development Authority (IHCDA)

2) *New Administrator Training:* *Maximum Number of Points: 3*

Three points will be awarded to administering entities with no previous IHCDA award experience, that can demonstrate experience in construction management, in rehabilitation of built structures, and/or prior CDBG experience through a different funding agency. The definition for administrating entity can be found in the glossary section of this application policy.

In order to receive points in this category the administering entity must submit the following documentation in **Tab N: Experience**:

- Please provide a written narrative explaining previous relevant experience.
- Please provide third party reference of experience in above mentioned fields.

3) *Administering Entity's IHCDA Award Performance* *Maximum Number of Points: 10*
Administering entities with a previous IHCDA award monitored within the past five years may be eligible for points based on overall performance. Only the most recently monitored award is eligible for points. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Description of Overall Award Performance	Points
Most recently monitored IHCDA OOR award had no findings and no concerns.	10
Most recently monitored IHCDA OOR award had no findings, but concerns were noted.	8
Most recently monitored IHCDA OOR award had only one finding. **OR** No IHCDA OOR experience, but the most recently monitored IHCDA award (different activity) had no findings and no concerns.	6
No IHCDA OOR experience; but most recently monitored IHCDA award (different activity) had no findings, but concerns were noted.	4
No IHCDA OOR experience; but most recently monitored IHCDA award (different activity) had only one finding.	2
Does not meet any category above. Examples: • More than one finding on most recently monitored award. • The organization administering the award has no experience with IHCDA in the past five years.	0

4) *Timely Expenditure of Funds* *Maximum Number of Points: 5*
Points will be awarded to an administering entity that has expended their most recent IHCDA HOME or CDBG or CDBG-D award funds by the award expiration date without requesting an award extension. The award must be from within the past five (5) years. List the award number in the application form.

Award Length	Points
Most recent IHCDA HOME or IHCDA CDBG or CDBG-D award completed by the award expiration date.	5 points

6.4 Financing **Category Maximum Points Possible: 12**

1) *Public Participation* *Maximum Number of Points: 6*
Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds. A "firm commitment" means that the funding does not require any further approvals. "Public funds" include federal, state, or local government funds. This can include funds awarded from other federal or state agencies, the Federal Home Loan Bank**,** or waivers resulting in quantifiable cost savings that are not required by federal or state law.

- Banked and/or shared match is excluded from this category.

Points will be awarded based on the Amount of Public Participation Funding/Total Project Costs:

% of Public Participation Funding	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	4
4.00% to 4.99%	5
Greater than 5.00%	6

In order to qualify for points in this category the applicant must submit in **Tab I: Financing** a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

2) *Non-Public Participation* *Maximum Number of Points: 6*
Points will be awarded to applicants whose proposed project has received a firm commitment to

leverage other non-public funding sources. A "firm commitment" means that the funding does not require any further approvals. "Other funding sources" include (but are not limited to) private funding, funds from a local community foundation, donations, etc.

- Banked and/or shared match is excluded from this category.

Points will be awarded based on the amount of Non-Public Participation Funding/Total Project Costs:

% of Sources	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	4
4.00% to 4.99%	5
Greater than 5.00%	6

In order to qualify for points in this category the applicant must submit in **Tab I: Financing** a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

Unique Features & Bonus **Category Maximum Points Possible: 10**

1). Unique Program Features *Maximum Number of Points: 5*

Points will be awarded to applicants that offer unique program features above and beyond what is required by this application policy. Unique features should be a creative addition to the proposed program and can include things like offering an array of relevant services throughout the life of the affordability period, a thorough outreach campaign to target individuals who might not otherwise be aware of the OOR program, funding for beneficiaries above and beyond the owner occupied repair dollars put into their homes, or unique partnerships that will help the homeowner throughout the affordability period and beyond.

Points are awarded relative to other projects being scored during each application cycle and are awarded in IHCDA's sole and absolute discretion. The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of 5 points.

% of Applications	5%	8%	12%	16%	18%	2.5%	12%	8%	5%
Points	5	4.5	4	3.5	3	2.5	2	1.5	1

In order to receive points in this category, the applicant must submit in **Tab O: Unique Features** a narrative summary of the proposed unique features. Features receiving points in other sections of this application will not be considered for Unique Feature points.

2). Bonus Maximum Number of Points: 5

The applicant will receive 5 bonus points for answering all questions and turning in all required threshold and scoring documentation. Threshold documentation includes all scoring support documentation.

Owner Occupied Repair Program TAB Directory
Tab A: SAM Registration
Tab B: Procurement
Tab C: Public Hearing
Tab D: HUD & RD
Tab E: LUG
Tab F: Proof of Good Standing
Tab G: Environmental Review
Tab H: Inspection
Tab I: Financing
Tab J: Serving Disabled Individuals
Tab K: Client Intake (Form B)
Tab L: Contractor Solicitation
Tab M: Certifications
Tab N: Experience
Tab O: Unique Features

***When uploading supporting documentation to the FTP site, please name tabs as seen above and place correct documentation (as described throughout the Application Policy) in each tab.*

IHCDA 2016 CDBG AND CDBG-D OOR APPLICATION POLICY

Glossary of Terms

Below are definitions for commonly used terminology found throughout the CDBG and CDBG-D OOR Application policy and forms and applicable to the OOR program.

Administrator: A procured entity that will assist carrying out the OOR program.

Administering Entity: This is the organization that will be carrying out the requirements of the award through the life of the affordability period. Since this entity will be doing the work required by the award, they are eligible for certain point categories. The applicant can administer their own award, however it is also possible to procure a grant administrator or to have a subrecipient.

Area Agency on Aging: Area Agencies on Aging (AAAs) deliver services to older adults and people with disabilities of any age and their caregivers. They provide Information about resources and service providers, assess needs for service, make referrals to case managers, link to services, monitor consumer satisfaction and adjust services to meet changing needs. Learn more on their association website at www.iaaa.org

Beneficiary: The household or unit that received homeowner repair work as a result of the OOR grant.

CDBG: The Community Development Block Grant (CDBG) program is a federally funded program that provides states and communities with resources to address a wide range of unique community development needs. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. The Indiana Housing and Community Development Authority (IHCDA) is a State Administered CDBG program. The IHCDA allocates awards in the form of grants to Local Units of Government that carry out CDBG OOR projects.

Children: Children are defined as those persons ages 18 years of age or younger. The child must reside in the home that will benefit from the OOR program.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older and modifications to the home are needed so this person may age in place in the home benefitting from the OOR program with the family.

IHCDA 2016 CDBG AND CDBG-D OOR APPLICATION POLICY

Entitlement Community: The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.
IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Inspection: A scheduled visit made by an Inspector to the households units that received IHCDA CDBG OOR grant dollars. All IHCDA-assisted households/units that have received CDBG and CDBG-D must be inspected twice during the award period. The first inspection mustoccur within four weeks of the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections.

Leverage: Ten percent (10%) minimum contribution to the Community Development Block Grant program. Refer to the CDBG and HOME Program Manual for a list of eligible and ineligible sources of leverage. The leverage requirement is based on a percentage of the award amount less administration and environmental review costs.

Median Income: A determination made through statistical methods establishing a middle point for determining Income Limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a document describing a bilateral or multilateral agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the project.

OOR: Owner-Occupied Rehabilitation

Project: The CDBG OOR activity proposed in the application.

HOME Program Requirements

Part 1: Application Process

1.1 Overview and Funding Priorities:

The purpose of this HOME Investment Partnerships Program (HOME) application is to provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation and/or new construction of rental housing for low and moderate-income people. Through this program, the Indiana Housing and Community Development Authority (IHCDA) seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate HOME funds to be used for the rehabilitation and/or new construction of single family homes or rental housing among selected applicants having projects that meet the requirements of the program and IHCDA's goals for the program.

1. Demonstrate they are meeting the needs of their specific community;
2. Reach low and very low-income levels of area median income;
3. Proceed with the activity upon receipt of the award and begin construction within 12 months of receipt of the award;
4. Link the project to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
5. Advance projects that promote aging-in-place strategies for seniors, persons with disabilities, and families with seniors or persons with disabilities;
6. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure; and,
7. Propose the use of state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and/or Service Disabled Veteran Owned Small Business (SDVOSB) contractors, employees, and products when applicants are planning and undertaking their housing activities.

1.2 HOME Application Forms and HOME Policy Discrepancies

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

1.3 Funding Round Timeline

Note: This is an anticipated schedule and is subject to change or extension.

Application Available / Round Begins	May 16, 2016
Application Webinar	June 2016 (date and time TBD)
Application Due Date	August 5, 2016
Award Announcements	October 27, 2016

1.4 Application Webinar

An application webinar will be conducted prior to the application deadline. During the webinar, the IHCDA Real Estate Production Department staff will describe the requirements of the HOME program, threshold and scoring criteria, how to complete the required forms, and how to submit the application documents. Local Units of Government (LUGs) and not-for-profit entities intending to apply are *strongly encouraged* to attend.

1.5 Technical Assistance

The applicant may, but is not required, to schedule a technical assistance meeting with its regional IHCDA Real Estate Production Analyst to discuss both the proposed project and IHCDA's application process. Technical assistance may be required at IHCDA's discretion if the recipient does not have experience with IHCDA awards or if past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

1.6 Application Submission

The applicant must submit the following items to IHCDA's Real Estate Department Coordinator:

- Via IHCDA's FTP site:
    - One completed copy of the HOME application forms.
    - All supporting documents required in the tabs. Please submit this information as separate, labeled PDF documents under the required labeled tabs. Do not send one PDF containing all of the supporting documentation.
- Via hard copy:
    - One completed copy of the final application forms with original signatures.
    - Application fee of $500.

Application fees should be made payable to IHCDA. If a check is returned for insufficient funds, the application will be denied. The application fee is non-refundable.

All required application items are due no later than 5:00 p.m. Eastern Standard time on the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Instructions on how to utilize the FTP site will be explained during the application webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: HOME Application
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

IHCDA will send an email confirmation to the applicant contact within one week of submission notifying the applicant that the application was received by IHCDA. Please notify the Real Estate Department Coordinator if the applicant would like to add an additional contact person for communications regarding its application.

1.7 Application Review

Each application must address only one project. Applications are reviewed in a seven step process:

Step One - Completeness	IHCDA reviews to determine if the applicant must provide all required documents, signatures and attachments before the application deadline
Step Two - Preliminary Threshold	IHCDA reviews application and submitted documents to determine if the application meets the minimum threshold criteria for awards.
Step Three – Threshold Clarification	IHCDA provides preliminary threshold review information to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. If the applicant responds, it must be by the deadline set by IHCDA.
Step Four – Final Threshold	IHCDA reviews applicant's response to preliminary threshold and determines if applicant meets threshold. If applicant does not meet threshold, the application is not scored and may not be awarded funding.
Step Five – Preliminary Scoring	Applications that pass the completeness and threshold reviews are scored according to IHCDA's published scoring criteria in this policy.
Step Six – Scoring Clarification	IHCDA provides a preliminary score sheet to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. No new scoring documentation may to be submitted after the initial application has been submitted. Any response must be received by the deadline set by IHCDA.
Step Seven – Final Scoring	IHCDA reviews applicant's response to preliminary scoring and determines a final application score. Applications with more than three outstanding threshold and/or scoring clarifications at final threshold or final scoring, respectively, will be disqualified. IHCDA determines which applications that will be funded based on their final scores. Some applications may receive less than their total request amount based on the total funding available.

Bonus points will be awarded to applications that require no clarifications.

Applications proposing rental activities will be scored separately from, and will not compete with, applications proposing homebuyer activities in following the Annual Action Plan. An amount of funding, determined at the discretion of IHCDA, will be set aside for rental projects each year as prescribed in IHCDA's Consolidated Plan.

Funded applications will be announced at the published IHCDA Board Meeting date. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified by IHCDA via denial letters and final score sheets being uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications not funded will not be rolled over into the next funding round.

1.8 Minimum Score Requirement

An application must score at least 75 points to be considered for funding.

1.9 IHCDA CDBG & HOME Program Manual 3rd Edition

The IHCDA CDBG & HOME Program Manual outlines the requirements for administering IHCDA's CDBG awards. A complete copy of the CDBG & HOME Program Manual is available on IHCDA's website at this location:
http://www.in.gov/myihcda/files/CDBG_and_HOME_Program_Manual_3rd_Edition.pdf
Program Manual exhibits may be found at http://www.in.gov/myihcda/2490.htm

Part 2: Eligible Applicants

2.1 Eligible Applicants

HOME Investment Partnerships Program (HOME)	Cities, Town, and Counties (Non-HOME Participating Jurisdiction)	Community Housing Development Organizations (CHDO)	501(c)3 and 501(c)4 Not-For-Profit Organizations and PHAs	Joint Venture Partnerships	For Profit Entities Organized Under the State of Indiana
Rental Housing Rehabilitation	✓	✓	✓	✓	Not eligible
Acquisition and Rental Housing Rehabilitation	✓	✓	✓	✓	Not eligible
Rental Housing New Construction	✓	✓	✓	✓	Not eligible

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of the following participating jurisdictions. Applications from, or housing activities located within, the following participating jurisdictions are NOT eligible for HOME funds:

Anderson
Bloomington
East Chicago
Evansville
Fort Wayne
Gary
Hammond
Indianapolis*
Lake County
Lafayette Consortium**
Muncie
South Bend Consortium***
Terre Haute

*Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is outside of Marion County.

**Lafayette Consortium is made up of the Cities of Lafayette and West Lafayette and the unincorporated areas of Tippecanoe County. Other incorporated areas are eligible to receive assistance.

***South Bend Consortium is made up of the Cities of South Bend and Mishawaka and the unincorporated areas of St. Joseph County. Other incorporated areas are eligible to receive assistance.

2.2 Ineligible Applicants

Per 24 CFR 92.214 (a)(4) HOME funds may not be invested in public housing projects.

IHCDA reserves the right to disqualify from funding any application that has an applicant, sub-recipient, administrator, preparer, or related party of any of the aforementioned, with a history of disregarding the policies, procedures, or staff directives associated with administering any IHCDA program or program administered by any other State, Federal, or affordable housing entity. This includes, but is not limited to, the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, and the Federal Home Loan Bank.

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

2.3 Religious and Faith-Based Organizations

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

Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.

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

Part 3: Eligible Activities & HOME Program Requirements

3.1 Eligible Activities

This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation and/or new construction of rental housing. Acquisition only is not an eligible activity; however acquisition in conjunction with another activity is permitted.

- Rehabilitation, new construction, and acquisition/rehabilitation or acquisition/new construction of rental housing in the form of traditional apartments, single room occupancy units (SROs), or single family housing.
    - SRO housing consists of single room dwelling units that are the primary residence of the occupant(s). Neither kitchen nor bathroom facilities are required to be in each unit. However, if individual units do not contain bathroom facilities, the building must contain bathroom facilities that are shared by tenants. SRO housing does not include facilities for students.
- If HOME funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence within 9 months of the demolition or acquisition.
- Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
    - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
        - Shall have been constructed after January 1, 1981, and must exceed 950 square feet of occupied space per I.C. 36-7-4-1106 (d);
        - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
        - Has wheels, axles, and towing chassis removed;
        - Has a pitched roof;
        - Consists of two or more sections which, when joined, have a minimum dimension of 20' X 47.5' enclosing occupied space; and
        - Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
        - All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCDA.

3.2 Ineligible Activities

The following are ineligible activities under this application:

- Per 24 CFR 92.214 (a)(4) HOME funds may not be invested in public housing projects.
- Performing owner-occupied rehabilitation;
- Group homes;
- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- Rehabilitation of mobile homes;
- Acquisition, rehabilitation, refinancing, or new construction if any part of a development or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the project;
- Acquisition, rehabilitation, or construction of any developments that will be applying for RHTC. These developments must apply for HOME funds as part of the RHTC application (also called the Qualified Allocation Plan);
- Any housing activity funded under Title VI of NAHA, prepayment of mortgages insured under the National Housing Act, public housing developments, or acquisition, rehabilitation, or construction of any developments funded under HUD's former Rental Rehabilitation Program;
- Costs for supportive services, homeless prevention activities, operating expenses, or for the use of commercial facilities for transient housing;
- Acquisition, rehabilitation, or construction of transitional housing or emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for homeless persons;
- Payment of HOME loan servicing fees or loan origination costs;
- Tenant-based rental assistance;
- Payment of back taxes.

In addition, IHCDA **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, gender identity, or against victims of domestic violence, dating violence, sexual assault, or stalking in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- Medical research or medical profit-making enterprises.

3.3 HOME Program Requirements

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

- Recipients must comply with all regulatory requirements listed in 24 CFR Part 92.

Applicants should familiarize themselves with IHCDA's CDBG & HOME Program Manual, as well as the Federal Programs Ongoing Rental Compliance Manual. Requirements include, but are not limited to the following:

- **Lead Based Paint, Chapter 2**:
  - Each recipient of a HOME award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed.
- **Section 504, Chapter 3**:
  - Housing must meet the accessibility requirements of 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined in 24 CFR Part 100.201. It must also meet the design and construction requirements of 24 CFR 100.205 and implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C. 3601-3619).
- **Uniform Relocation Act, Chapter 4:**
  - Each recipient of a HOME award is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). See IHCDA's Program Manual Chapter 4 for guidance on the regulatory requirements of the URA, as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.
- **Affirmative Marketing Procedures, Chapter 5:**
  - Rental housing with five or more HOME-assisted units must adopt IHCDA's Affirmative Marketing Procedures. See the IHCDA Program Manual Chapter 5 for guidance on Affirmative Marketing Procedures.
- **Section 3, Chapter 7**:
  - Any recipient receiving an aggregate amount of $200,000 or more from one (1) or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.
- **Income Verification, Chapter 8:**
  - An income verification is valid for a period of six months. If more than six months pass between income verification and contract execution/lease execution/purchase agreement, then a new income verification must be completed.
- **Procurement Procedures, Chapter 10:**
  - Each recipient of a HOME award will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award.
  - Each recipient of a HOME award must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the HOME award.
- **Environmental Review, Chapter 11:**
  - To help facilitate timely expenditure of HOME funds, all applicants are required to submit the Environmental Review Record (ERR) and Section 106 Review at the time of

application. If awarded HOME funds, the HOME recipient must receive an IHCDA Release of Funds before the fully executed award documents are released and any funds are drawn. (IHCDA Program Manual, Environmental Review Chapter 11). For more information, contact the IHCDA Placemaking Manager.

- Applicants may not purchase any property to be assisted with HOME funds, sign contracts, or begin rehab/construction until the ERR/Release of Funds process has been completed and approved.

- **Construction Standards and Physical Inspections, Chapter 14:**
  - All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur at the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections.
- **Match:**
  - The match requirement for the HOME program is 25% of the total amount of HOME funds requested except HOME funds used for administrative and environmental review costs (pursuant to §92.207(g));
- **Davis Bacon:**
  - Each recipient of a HOME award must follow the Davis Bacon requirements found in 29 CFR Parts 1, 3, and 5 to ensure workers receive no less than the prevailing wages being paid for similar work for the following type of projects:
  - Rehabilitation or new construction of a residential property containing twelve or more HOME-assisted units; and
  - Affordable housing containing twelve or more units assisted with HOME funding regardless of whether HOME funding is used for construction or non-construction activities.
  - Such properties may be one building or multiple buildings owned and operated as a single development.
  - Public Housing Authorities (PHAs) using PHA funds in conjunction with IHCDA funds are subject to Davis Bacon requirements.
- **Registering Vacancies:**
  - Applicants that are proposing to develop rental housing must register vacancies for assisted housing in the IndianaHousingNow.org affordable housing database.
- **Other HOME Construction Standards**:
  - Units must, at a minimum, meet the stricter of the local rehabilitation standards or the Indiana State Building Code.
  - Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
  - Recipients of HOME funds must meet additional energy efficiency standards for new construction as described in 24 CFR 92.251.
- **Capital Needs Assessment:**
  - Projects performing the rehabilitation activity with a total of 26 or more units (the total of HOME-assisted and non-HOME assisted units) must complete and provide a Capital Needs Assessment (CNA).
- **Federal Programs Ongoing Rental Compliance:**
  - Recipient must ensure that each owner of a HOME-assisted rental project enters tenant events into IHCDA's Indiana Housing Online Management System at

https://ihcdaonline.com/ within 30 days of the tenant's event date. Tenant events include move-ins, move-outs, recertification, unit transfers, and rent and income changes. In addition, Annual Owner Certification Rental Reports must be submitted electronically using the Indiana Housing Online Management System throughout the affordability period in the Annual Rental Report. See IHCDA's Program Manual for further guidance.

- Recipient must ensure that there is a written lease between any tenant and the owner of rental housing assisted with HOME funds. The term of the lease may not be less than one year, unless a shorter period is specified upon mutual agreement between the tenant and the owner. The lease may not contain any of the prohibited provisions set forth in 24 CFR 92.253 (b).
- Recipient shall ensure that written tenant selection policies and criteria for the project are adopted and followed that comply with 24 CFR 92.253 (d) and the additional requirements as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCDA.
- In accordance with 92.504(d)(2), the recipient must provide IHCDA with the financial documentation and/or reports needed by IHCDA to conduct its examination of the financial condition of the project, if project has ten (10) or more HOME-assisted units.
- Rental housing developments must assist households at or below 60% of the Area Median Income for the county, as published by HUD and distributed by IHCDA. Additionally, those developments with five or more HOME-assisted units must set-aside at least 20% of the units for households at or below 50% of the Area Median Income. Households must also meet the definition of "low-income families" at 24 CFR 92.2 which limits occupancy based on certain student status rules (see Part 4.1G of the Federal Programs Ongoing Rental Compliance Manual).

- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds for LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices; acquiring interpreters for face to face interviews with LEP persons; placing advertisements and notices in newspapers that serve LEP persons; partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project; hiring bilingual employees or volunteers for outreach and intake activities; contracting with a telephone line interpreter service; etc.
- Recipient must follow the non-discrimination requirements of the Fair Housing Act, the Violence Against Women Reauthorization Act of 2013, and the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule.
- Before an applicant can apply for a new HOME, CDBG or CDBG Disaster award, any other HOME, CDBG or CDBG Disaster awards that the applicant has received in 2015 or earlier from IHCDA must be drawn down by a minimum of 25% of the award's total funding amount.
- Recipient shall comply with applicable sections of 2 CFR 200.

3.4 Affordability Requirements

HOME subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The recipient shall comply with the following requirements of the HOME Program throughout the affordability period: (1) ensuring that the property meets the Property Standards set forth in 24 CFR 92.251; (2) ensuring that the tenants meet the affordability requirements set forth in 24 CFR 92.252 by documenting and verifying the income of tenants as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCDA; (3) submitting annual tenant events and annual owner certifications to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; (4) participating in periodic monitoring and inspections of the Property by IHCDA and/or the U. S. Department of Housing and Urban Development ("HUD"); (5) complying with the Federal income and rent limits issued by HUD and published annually on IHCDA's website; (6) providing IHCDA with information regarding unit substitution and filling vacancies, if the Project has floating units; and (7) ensuring that each tenant enters into a lease that does not contain HUD prohibited lease language as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual. The affordability period begins after the project has been completed and the completion forms have been submitted to and approved by IHCDA. During the affordability period all HOME program rental requirements apply to the property. See IHCDA's *Federal Programs Ongoing Rental Compliance Manual* for a full discussion of affordability period compliance.

The following affordability periods apply to all HOME rental housing and homebuyer projects:

Amount of HOME subsidy per unit:	Affordability Period
Under $15,000	5 years
$15,000 - $40,000	10 years
Over $40,000 - or any rehabilitation/refinance combination activity	15 years
New construction or acquisition of newly constructed transitional, permanent supportive, or rental housing	20 years

3.5 Lien and Restrictive Covenant Agreement

Each recipient of a HOME award must ensure that a lien and restrictive covenant is executed and recorded against every property constructed, rehabilitated, or acquired, in whole or in part, with HOME funds. Upon the occurrence of any of the following events during the Affordability Period, the entire sum secured by the lien shall be due and payable by developer and/or owner upon demand. Repayment may be demanded upon: (1) Transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the Affordability Period; (2) Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the Affordability Period; (3) The real estate no longer meets the property standards set forth in 24 CFR 92.251; (4) HOME-assisted units are not being used by qualifying tenants as their principal residence; (5) annual tenant events and annual owner certifications are no longer being submitted to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; (6) non-compliance with the federal income and rent limits issued by HUD; and (7) units are not leased in accordance with the requirements set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual.

The recipient of the HOME award will be responsible for repaying IHCDA any HOME funds utilized for any housing constructed, rehabilitated, or acquired that does not remain affordable and in compliance in accordance with 24 CFR 92.252 for the entire Affordability Period. The Affordability Period is based upon the total amount of HOME funds invested into the unit as defined in the chart above. (IHCDA Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15)

Part 4: CHDO

4.1 IHCDA CHDO Set-Aside

IHCDA must allocate 15% of its HOME funds for CHDO projects.

4.2 CHDO Eligible Activities

- Permanent rental and homebuyer housing are considered CHDO-eligible activities for purposes of the CHDO set-aside as long as the activity takes place within the CHDO's state-certified service area and the CHDO owns, develops, or sponsors the activity.
    - The CHDO "**owns**" the activity when the CHDO holds valid legal title in fee simple or has a long-term (99-year minimum) leasehold interest in a rental property. The CHDO may hire and oversee a project manager or contract with a developer to perform the rehabilitation or new construction.
    - The CHDO "**develops**" the activity when the CHDO is the owner in fee simple or through a long term ground lease during both the development and the affordability period. As developer, the CHDO must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME funds, selecting contractors, overseeing the progress of work, and determining reasonableness of costs.
    - The CHDO "**sponsors**" rental projects through one of two processes:
        - Rental housing is developed by a CHDO affiliate, defined as a CHDO's wholly owned subsidiary (non-profit or for-profit); a limited partnership, of which the CHDO or its wholly owned subsidy is the sole general partner; or a limited liability company, of which the (the CHDO or its wholly-owned subsidiary must be the sole managing member. If the limited partnership or limited liability company agreement permits the CHDO to be removed as general partner or sole managing member, the agreement must provide that the removal must be for cause and that the CHDO must be replaced with another CHDO.
        - The CHDO develops housing on behalf of another non-profit. The rental housing is transferred by the CHDO to the other nonprofit upon completion. The nonprofit receiving the property upon completion must be identified by the CHDO, not be created by a governmental entity, and assume ownership and all HOME obligations, including any loan repayment. The CHDO must own the property during the development period and be in sole charge of the development process.

4.3 CHDO Program Requirements

CHDOs must adhere to all HOME requirements listed in this Application Package and the additional CHDO specific program requirements:

- Applicants that would like to apply as a CHDO must apply for CHDO certification at the time of submitting a HOME application. The CHDO application can be found as a separate document on the IHCDA website here: http://www.in.gov/myihcda/2541.htm It must be submitted at the same time as submittal of the HOME application.
- Treatment of Program Income by a CHDO:
    - CHDOs receiving payment back during the affordability period may retain these funds. The funds must be utilized for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, if at any time during the affordability period, the CHDO becomes decertified or no longer has a mission of providing affordable

housing then all CHDO proceeds must immediately be remitted to IHCDA. Please contact your Compliance Monitor for further assistance in this area.

- An application for a CHDO eligible undertaking must demonstrate the following:
  - Low- and moderate-income persons have had the opportunity to advise the CHDO in its decision regarding the design, site, development, and management of the affordable housing undertaking.
  - Certify that the organization continues to meet the definition of a CHDO by being a certified CHDO by IHCDA.

4.4 CHDO Operating Supplement

CHDOs may apply for supplemental funds in the HOME 2016 FY Application Forms. A CHDO may not receive CHDO operating supplement funds in an amount to exceed $50,000 within one fiscal year

Eligible costs include:

- Staff Salary/Fringe
- Education/Training
- Travel
- Rent
- Utilities
- Communication Costs
- Taxes
- Insurance
- Equipment/Software
- Postage
- Accounting Services/Audit
- Professional Dues/Subscriptions
- Legal Fees
- Lead-Based Paint Equipment

4.5 CHDO Predevelopment and Seed Money Loans

CHDOs are eligible for development specific predevelopment or seed money loans. Applicants may request up to $30,000 in loans for special project-specific pre-development expenses. All loans may not exceed customary and reasonable project preparation costs and must be repaid from construction loan proceeds or other program income. The CHDO must apply for the predevelopment or seed money through a separate application process. Please contact your Real Estate Production Analyst for more details.

Part 5: Subsidy Limitations & Eligible Activity Costs

5.1 Subsidy & Budget Limitations

The maximum request amount per application is $750,000 for eligible rental projects.

Subsidy Limitations

HOME funds used for acquisition, rehabilitation, new construction, program delivery, relocation, rent-up reserve, and developer's fee combined cannot exceed:

Bedroom Size	Per Unit Subsidy Limit
0	$57,000
1	$65,000
2	$79,000
3	$101,000
4+	$111,000

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

Budget Limitations

HOME funds cannot be used for reserve accounts for replacement or operating costs, but may be used as a Rent-Up Reserve.

All subsidies must be secured throughout the affordability period by a written, legally binding, recorded restrictive covenant.

HOME funds budgeted for administration cannot exceed 5% of the HOME award.

HOME funds budgeted for developer's fee cannot exceed 15% of the HOME award.

HOME funds budgeted for administration, program delivery, environmental review, and developer's fee together cannot exceed 20% of the HOME award.

5.2 Form of Assistance

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

The applicant may then provide the HOME award as a forgivable, amortized, or deferred loan to as many other entities as it chooses, known as subgrantees (beneficiaries if a homebuyer award). However, subgrantees must be identified in the application and approved by IHCDA.

A title company is required to be used for all loans that occur between the IHCDA recipient and the beneficiary or subgrantee of the program. For example, an IHCDA recipient providing funds for a homebuyer activity must use a title company when the loan is made to the homeowner. Another

example is when an IHCDA recipient is assisting a property that it does not own. When the loan is made from the IHCDA recipient to the subgrantee, a title company must be used.

The IHCDA recipient must execute a promissory note, mortgage, lien and restrictive covenant agreement, security agreement, UCC Financing Statement(s), and other documents as directed by IHCDA in order to secure IHCDA's investment in the assisted property. The recipient is required to deliver these documents to the county recorder's office for recording. These documents will be reviewed during monitoring visits.

5.3 Eligible Activity Costs

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

RETAINAGE POLICY - IHCDA will hold the final $5,000 of an award until the completion reports, leverage documentation, and closeout documentation is received and approved. Additionally, IHCDA will hold the final $5,000 of an award until the final monitoring and final inspection have been completed and all findings and/or concerns associated with them have been resolved.

ACQUISITION – Limited to the purchase price and related costs associated with the acquisition of real property. Recipients must use a title company when purchasing or selling assisted properties.

REHABILITATION – Eligible costs include:

- Hard costs associated with rehabilitation activities
- Lead-based paint interim controls and abatement costs.
- Mold remediation.
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served.
- For multifamily rental housing, costs to rehabilitate an on-site management office, the apartment of a resident manager, or laundry or community facilities that are located within the same building as the housing and are for the use of the tenants and their guests
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- Site work related to driveways, sidewalks, landscaping, etc.

NEW CONSTRUCTION – Eligible costs include:

- Hard costs associated with new construction activities;
- Utility connections including off-site connections from the property line to the adjacent street;
- Site work related to driveways, sidewalks, landscaping, etc.
- Related infrastructure costs - improvements to the development site that are in keeping with improvements of surrounding, standard developments. Site improvements may include on-site roads and water and sewer lines necessary to the development
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners

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

PROGRAM DELIVERY - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed 20% of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Additionally, program delivery may be used to pay off a HOME CHDO Predevelopment or CHDO Seed Money loan but may not exceed the 20% line item cap.

Eligible costs include:

- Engineering/Architectural Plans
- Financing costs
- Client in-take / Income verification
- Plans, specifications, work write-ups
- Credit reports
- Title Searches
- Impact fees
- Inspections
- Cost estimates
- Building permits
- Recording fees
- Demolition permits
- Travel to and from the site
- Lead hazard testing
- Private lender origination fees
- Appraisals
- Consultant fees
- Realtor fees
- Utilities of assisted units
- Other professional services
- Builders risk insurance
- Phase I Environmental Assessments
- Closing costs paid on behalf of homebuyer
- Legal and accounting fees

LEAD HAZARD TESTING – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are $1,000 per unit.

RELOCATION - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, not-for-profit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCDA's Program Manual Chapter 4.

DEVELOPER'S FEE – Developer's fees are only available with HOME funded activities and cannot exceed 15% of the HOME award. Additionally, the total of developer's fee, administration, program delivery, and environmental review cannot exceed 20% of the HOME request.

ADMINISTRATION - The administration line item includes those costs directly related to administering the IHCDA award and complying with the regulations associated with these funds. This line item cannot exceed 5% of the HOME request and generally is between $5,000 and $10,000. This line item along with developer's fee, program delivery, and environmental review cannot exceed 20% of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCDA are <u>not eligible</u> for reimbursement through a HOME award. This line item does not incur a match liability for HOME funds.

Eligible costs include:

- Affirmative marketing
- Fair housing education
- Postage
- Office materials and supplies
- Photocopying
- Office rent and utilities
- Travel related to the housing activity
- Communication costs
- Lead based paint training
- Staff time or professional services related to reporting, compliance, monitoring, or financial management
- Training related to the housing activity

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the NEPA compliance Environmental Review, which is a requirement of the Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the Environmental Review line item in the budget. This line item along with developer's fee, program delivery, and administration cannot exceed 20% of the HOME request. Eligible costs for this line item are generally between $2,000 and $5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCDA CDBG & HOME Program Manual.

5.4 Ineligible Activity Costs

- Commercial development costs - All costs associated with the construction or rehabilitation of space within a development that will be used for non-residential purposes such as offices or other commercial uses. This does not include the common area used by tenants of rental property or the leasing office of the apartment manager. HOME awards cannot be used to underwrite any portion of commercial development costs. The expenses incurred and income to be generated from commercial space must be reported in a separate "Annual Expense Information" sheet and 15-year proforma.
- Costs associated with preparing an application for funding through IHCDA.
- Purchase or installation of luxury items, such as swimming pools or hot tubs.
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Cost of supportive services.
- General operating expenses or operating subsidies.
- Providing tenant based rental assistance.
- Mortgage default/delinquency correction or avoidance.
- Loan guarantees.
- Annual contributions for operation of public housing.
- Costs associated with any financial audit of the recipient.

5.5 Program Income

Income generated by CHDOs acting as owners, sponsors, or developers of HOME units may be retained by the CHDOs but it must be used for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, funds recaptured because housing no longer meets affordability requirements is not considered CHDO proceeds and must be returned to IHCDA.

Income generated by not-for-profits or for-profits, acting as developers of HOME units, may be retained by the developer and is not subject to HOME Program requirements.

5.6 Program Income

Additionally, all legal documents, such as mortgages, security agreements, UCC financing statements, and liens executed by the IHCDA recipient, beneficiary, or subrecipient receiving assistance must be recorded at the county recorder's office. These documents must be submitted to IHCDA at closeout along with the IHCDA recipient's completion reports and will be reviewed during monitoring visits conducted by IHCDA staff.

Part 6: Rental Housing Requirements

6.1 Eligible Projects

HOME projects can propose rental activities with this policy and corresponding application forms. Homebuyer activities are eligible using the Homebuyer policy and corresponding application forms.

6.2 Eligible Rental Activities

Eligible activities include new construction, rehabilitation only, or acquisition/rehabilitation. Acquisition is allowed only in conjunction with the rehabilitation activity and is ineligible as a stand-alone activity. Permanent rental housing units may not be used for temporary or emergency housing at any time. Eligible rental activities also include the rehabilitation or acquisition/rehabilitation of assisted-living facilities as long as they meet IHCDA's definition. IHCDA defines an assisted living facility as living arrangements in which some optional services are available to residents (meals, laundry, medication reminders), but residents still live independently within the assisted-living complex. Residents of such facilities pay a regular monthly rent, and then pay additional fees for the services that they desire.

All households occupying HOME-assisted rental units must be income and student status qualified based on HOME regulations. See the Federal Programs Ongoing Rental Compliance Manual for more information on household qualification.

6.3 Rent Restrictions

HOME-assisted rental units will be rent-restricted throughout the affordability period to ensure that the units are affordable to low- and moderate-income households. Please refer to the most recent HOME rent limits, which can be found on IHCDA's website under RED Notices. The following restrictions apply:

- Published rent limits include the cost of any tenant-paid utilities. For all utilities that the tenant will be responsible for you must subtract any IHCDA or HUD approved utility allowance from the published rent limit. For example, if the rent limit in a given county is $300 with a utility allowance for gas heat of $28, $20 for other electric, and $13 for water, the maximum allowable rent would be $239 for a unit where the tenant pays all the above utilities ($300 - $28 - $20 - $13 = $239).
- All units must be leased for initial occupancy within 18 months.
- If a SRO-unit has both food preparation and sanitary facilities, then use the HOME zero bedroom (efficiency) unit rent or 30% of the household's adjusted income, whichever is most restrictive.
- If a SRO-unit has neither food preparation nor sanitary facilities, or only one of either, then the rent may not exceed 75% of the fair market rent (FMR) for a zero bedroom unit. For example, if the FMR for a zero bedroom unit in a given county is $300, then the 40% rent limit in that county for a SRO unit that only has a bathroom and not a kitchen would be $225 ($300 x .75 = $225).
- Gross rent must be at or below the published rent limit. Gross rent = tenant-paid rent + tenant-based rental assistance + utility allowance + non-optional charges.
- If the applicant proposes to receive all or a portion of the rent payment via a tenant-based voucher (rental subsidy), the gross rent (including the rental assistance amount) cannot exceed the published rent limits for the applicable income level. For example, a tenant residing in a unit set-aside for households at or below 40% of the area median income has a voucher that pays $100 of his/her rent, and the published utility allowance for tenant paid utilities for the unit is $50. If the published 40% rent limit is $300, the tenant paid portion of rent cannot exceed $150

($300 rent limit - $100 Section 8 Voucher - $50 utility allowance = $150 maximum tenant paid portion).

- If the development receives a federal or state project-based rent subsidy and the unit is designated as 50% or below and the household is at or below 50% AMI and the household pays no more than 30% of his/her adjusted income for rent, then the maximum rent may be the rent allowable under the project-based rental subsidy program as set forth in 24 CFR 92.252(b)(2).
- If the development charges non-optional fees for food or the costs of supportive services, then these costs must be included in the gross rent calculation
- All tenants who occupy HOME-assisted rental housing units must be income recertified on an annual basis. The Section 8 definition of household income applies.

6.4 Affordability Periods and Resale/Recapture Requirements

All rental projects are subject to an affordability period as defined in Part 3.4 of this document.

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

6.5 Underwriting Guidelines for Rental Projects

The following underwriting guidelines must be followed for any rental developments. The numbers submitted should reflect the nature and true cost of the proposed activity. IHCDA will consider any underwriting outside of these guidelines if supporting documentation is provided.

TOTAL OPERATING EXPENSES – All developments must be able to underwrite with a minimum operating expense of $2,500 per unit per year (net of taxes and reserves).

MANAGEMENT FEE – The maximum management fee allowed is described in the table below based on the number units within the project. The percentage is based on the "effective gross income" (gross income for all units less vacancy rate).

Number of Units	Maximum Management Fee Percentage
1 – 50	7%
51 - 100	6%
101 or more	5%

VACANCY RATE – All developments must be able to underwrite with a vacancy rate between 6% and 8%.

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

OPERATING RESERVES – All developments must be able to underwrite with operating reserves for four to six months (operating expenses plus debt service) or at $1,500 per unit based on whichever is greater.

RENT-UP RESERVE – HOME funds may be used to fund a rent-up reserve for new construction and rehabilitation rental housing developments. This reserve can be used to meet shortfalls in development income during the rent-up period and may only be drawn down after all construction is completed at the development. The following terms apply:

- The term of the rent-up reserve account may not exceed six months after all construction is completed, after which time any unused reserves left in the account will be de-obligated by IHCDA.
- These funds can be used only for development operating expenses, scheduled payments to replacement reserves, and/or debt service payments.
- The recipient must receive IHCDA's approval prior to accessing its rent-up reserve funding.
- The amount of HOME funds that can be utilized for a rent-up reserve is limited to three months development operating expenses plus three months of development debt service.

REPLACEMENT RESERVES – All developments are required to have replacement reserves. Replacement reserves must be included in the operating budget but are not included as part of the operating reserves. Contributions must be made to the reserve account starting at or before the conversion date of the construction loan to permanent loan and must be funded for the term of the loan. Replacement reserve funds must only be used for capital improvements (substantial improvements to the real estate such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings, but not including replacement of individual appliances or minor repairs) and must **not** be used for general maintenance expenses. Less restrictive provisions required by lenders must be approved by IHCDA. Replacement reserves must escalate at a rate of 3% per year. IHCDA will, at its discretion, adjust the replacement reserve to reflect reasonable and customary capital and replacement expenditures. The following minimum contributions must be used.

Development Type	Minimum Contribution per unit per year
Rehabilitation*	$350
New Construction	$250

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

OPERATING EXPENSE GROWTH – All developments must be able to underwrite with operating expense growth between 1% and 3% per year. IHCDA requires operating expense growth to be at least 1% higher than rental income growth.

STABILIZED DEBT COVERAGE RATIO – All developments must be able to underwrite with a stabilized debt coverage ratio with the following standards. Stabilization usually occurs in year two; however, the debt coverage ratio projection for a development should not go below 1.1 during the affordability period to be considered financially feasible. IHCDA does recognize that rural deals will typically have higher debt coverage at the beginning of the affordability period in order to remain feasible. Documentation to support these higher debt coverage ratios must be provided. Developments without hard debt are allowed but will be subject to additional scrutiny from IHCDA. Developments submitted with no debt will not have a debt coverage ratio but will be required to have a cash flow without having an undue profit. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including reserve for replacement). A ratio of 1.15 shall be the minimum required to be considered

feasible by IHCDA throughout the affordability period. Tax abatement may cause the debt coverage ratio to be higher than these guidelines.

Development Location	Minimum Acceptable Debt Coverage Ratio
Large and Small City	1.15 – 1.40
Rural	1.15 – 1.50

The following documentation is required for Stabilized Debt Coverage Ratio:

- Documentation of estimated property taxes and insurance for the proposed development (i.e. a statement of how the applicant determined the estimated taxes and insurance for the development); AND
- If the underwriting is outside these guidelines, the applicant must provide a written detailed explanation with third party documentation supporting the explanation (approval of underwriting from other financing institutions/funding sources will not constitute acceptable supporting documentation).

Part 7: Completeness & Threshold Requirements

Each proposed project must satisfy the Federal requirements of the HOME program listed in 24 CFR Part 92 and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

7.1 Completeness Requirements

1) Timeliness – All documentation must be turned in by the application due date.
    i) On or before the application deadline, the applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HOME Application Forms.
    ii) If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
    iii) Any forms that are late will be denied review and will be sent back to the applicant.
2) Responsiveness – All questions must be answered and all supporting documentation must be provided.
    i) The applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HOME Application Forms.
    ii) The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
    iii) Required signatures must be originally signed.

7.2 Threshold Requirements

Threshold Checklist:	
All documentation must be issued / dated within six months of the application due date.	
Threshold Item:	**Tab:**
Application Forms:	
Turn in the 2016 HOME Application and supporting documents via the FTP site and send one original copy of the signed Application Forms only to IHCDA in a complete and timely fashion. **When uploading files to the FTP site, please be sure to upload them into their appropriate file tab, and indicate the file name (e.g. Tab A-Notifications).**	
Complete Application Cover Page Tab in Application Forms:	
If the box for Administrator was selected on Application Cover Page of the Application Forms, please submit documentation that proves that the Administrator has been properly procured using the Competitive Negotiation (RFP) Procedure.	Tab B: Federal
If the development will consist of 12 or more units, please include a narrative paragraph explaining that Davis Bacon costs have been accounted for.	Tab B:Federal
Complete Application Summary Tab in Application Forms:	
Provide proof of System for Award Management (SAM) registration. https://www.sam.gov/portal/SAM/#1.	Tab A: Notifications
Provide the most recent copy of audited financial statements.	Tab O: Capacity
Submit a letter from the highest locally elected official.	Tab A:

	Notifications
If a not-for-profit organization, submit IRS determination letter.	Tab C: Not-For-Profit
If a not-for-profit organization, provide proof the organization is in good standing. Submit a copy of the Certificate of Existence from the Indiana Secretary of State that is no more than six months old.	Tab C: Not-For-Profit
If the Applicant is different from the owner of the project, provide a letter from the owner authorizing the applicant to apply for funding for the Owner's property.	Tab A: Notifications
If project received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development Office and provide proof of sending.	Tab A: Notifications
Submit a clear, colored, site map.	Tab E: Site
Submit clear, colored, site photos including views from all cardinal directions.	Tab E: Site
Site Control – Submit purchase option or agreement that is no older than 6 months and that has an expiration date after the HOME application due date	Tab D: Readiness
Title Search- Submit evidence of clear title with a title insurance commitment, title search documentation, or an attorney's opinion letter.	Tab D: Readiness
Zoning Approval – Provide a letter no older than 6 months from the local planning official that certifies the current zoning allows for construction and operation of the proposed development and any required variances that have been approved.	Tab D: Readiness
Cost Estimates – Provide a copy of cost estimates for the development	Tab D: Readiness
For developments proposing 26 or more total units, a Capital Needs Assessment is required.	Tab D: Readiness
Environmental Review: i. Submit completed Environmental Review forms. Instructions and forms can be found in Chapter 11 of the IHCDA CDBG & HOME Program Manual, found here: http://www.in.gov/myihcda/2490.htm ii. A FIRM floodplain map must be submitted with each parcel identified on the map. (Any property located in any variation of zone "A" on the map is ineligible for funding).	Tab F: Environmental
Commit to assisting households at or below 60% of the area median income for the county.	
Developments with five or more HOME-assisted units must set-aside at least 20% of the units for area median income levels of 50% and below.	
Development requesting a Development Fund loan must designate at least 50% of the Development Fund assisted units for households at or below 50% AMI, and the remaining Development Fund assisted units must be designated for households at or below 80% AMI.	
Affirmative Fair Marketing Plan- In accordance with 24 CFR 200.620 and 24 CFR 92.351 (a), the Recipient must adopt an Affirmative Fair Housing Marketing Plan for rental and homebuyer projects containing five or more HOME assisted housing units. Provide form- HUD 935.2A.	Tab B: Federal
Complete Narrative Tab in the Application Forms:	
Project Narrative- answer the questions describing your development.	
Complete Market Tab in the Application Forms:	

Market Need- HUD requires that IHCDA certify that there is adequate need for each project based on the neighborhood's housing market. In order to help make this determination please answer all of the questions in the Market tab in the 2016 HOME application. Attach any relevant support material such as planning documents and maps.	Tab G: Market
Complete Sources & Uses tab in the Application Forms	
All other project funding must be committed prior to submitting an application for HOME funding to IHCDA. Please complete the Sources and Uses tab in the Application Forms.	
Complete Rental Proforma tab in the 2016 IHCDA HOME Rental Application Forms.	
Submit all Signed letters of commitment with funding terms and amounts.	Tab H: Match/Leverage
Submit any supporting documentation for in-kind donations to demonstrate value.	Tab H: Match/Leverage
Complete Budget Tab in Application Forms:	
Cost Estimates- Provide a copy of detailed cost estimates.	Tab D: Readiness
Complete Match Tab in Application Forms:	
The match requirement for the HOME rental and HOME homebuyer programs is 25% of the total amount of HOME funds requested minus administration costs and environmental review costs. Match must be committed prior to submitting an application for HOME funding to IHCDA. Submit the relevant sections of the Match Spreadsheet.	Tab H: Match/Leverage
Submit Match Letters of Commitment and supporting documentation.	Tab H: Match/Leverage
If CHDO, Complete CHDO Application Forms	
Complete CHDO Application Forms.	
If applying for a CHDO Operating Supplement, fill out Section G of the Application Cover Page and Tab 16 in the HOME Application Forms.	
Visitability	
All homebuyer units must meet the "visitability" standard (see below). In addition, all units shall be made accessible upon the request of the prospective buyer. There are three specific design elements that must be incorporated to satisfy the visitability mandate: • Each unit must contain at least one zero-step entrance on an accessible route. This can be any entrance to the unit; • All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width; Each unit must contain at least one half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11.	
Senior Developments	
For New Construction: • 100% of the units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code.	

Include the following: ○ *The originally signed HOME application will serve as certification that the development will comply with these requirements.* For Rehabilitations: • 100% of the ground floor units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code, and all units above the ground floor must be adaptable as defined by the ADA and the Indiana Accessibility Code unless the building(s) contained elevator(s)/Lift(s) prior to rehabilitation, in which case the elevators/lifts will need to be maintained and 100% of the units above the ground floor will need to be accessible and adaptable. *Include the following:* ○ *The originally signed HOME application will serve as certification that the development will comply with these requirements.*	
Universal Design Features	
Applicants must adopt a **minimum of two** universal design features from ***each*** universal design column below. Features found in Column A are regarded as being of high cost and/or high burden of inclusion to the development. Features found in Column B are regarded as being of moderate cost and/or moderate burden of inclusion to the development. Features found in Column C are regarded as being of low cost and/or low burden of inclusion to the development. By columnizing such features, IHCDA encourages applicants to diversify their universal design portfolio to the greatest extent possible.	Tab I: Universal Design Features

Universal Design Features		
Column A	**Column B**	**Column C**
Front loading washer and dryer with front controls, raised on platforms or drawers in each unit or all laundry facilities	At least one entrance to the ground floor of a unit shall be on a circulation path from a public street or sidewalk, a dwelling unit driveway, or a garage. That circulation path shall be a ramp or sloped walking surface. Changes in elevation shall not exceed ½” (All one & two family dwellings only)	Audible and visible smoke detectors in each unit

Walk-in Bathtub or shower with a folding or permanent seat (Senior Living Facilities 10% of the units, and 5% of the units for non-senior)	In kitchens, provide pull out shelves or Lazy Susan storage systems in base corners cabinets	Light switches located 48" maximum above the finished floor in each unit
Range/oven with controls located to not require reaching over burners in 10% of the units	All interior doors shall have a minimum clear width opening of 31-3/4"	Lighting controls are rocker, or touch sensitive control
Wall oven with 27" minimum knee clearance under the door in the open position and controls 48" maximum above the floor in 10% of the units	Adjustable height shelves in kitchen wall cabinets in each unit	Over bathroom lavatories, mirrors with the bottom edge of the reflecting surface 40 inches maximum above the floor or a tilt mirror that provides a similar view in each unit
Toilets that meet the provisions for location, clearance, height and grab bars in 2009 ICC A117.1 Section 604.5 in one bathroom in each unit	Where provided, telephone entry systems shall comply with ANSI.SASMA 303.-2006, Performance Criteria for Accessible Communication Entry Systems	Lever handle faucets on lavatories and sinks in each unit
Provide an accessible route from the garage into the dwelling in 10% of the units with attached private garages	Provide one of the following in one bathroom within each unit: 1. Adjustable height shower head that allows for a shower head to be located below 48" above the tub or shower floor; or 2. Hand-held showerhead with a flexible hose 59" minimum in length	Full length mirrors with the bottom of the reflecting surface lower than 36" and top to be at least 72" above the floor in each unit
Detectable Warnings at curb cuts throughout the development in accordance with 2009 ICC A117.1 Sections 406.13 and 705	Remote control heating and cooling in each unit	Where provided, signage identifying unit numbers shall be visual characters, raised characters and braille
Side by side refrigerators in each unit	In the kitchen, provide a 30" x 48" clear floor space adjacent to the sink, dishwasher, cooktop, oven, refrigerator/freezer and trash compactor	Where room lighting is provided, provide remote controls or motion sensor controls

Where private garages are provided, automatic garage door openers on the garage doors	At least one section of the counter or a pull out surface shall provide a work surface with knee and toe clearances in accordance with ICC A117.1 Section 1003.12.3	Bathtub/shower controls located 48" maximum above the tub floor in each unit
Provide in the kitchen a sink and a work surface in accordance with ICC A117.1 Sections 1003.12.3.2 and 1003.12.4.2 in 10% of the units	Built in microwave with an adjacent clear floor space and controls located 48" maximum above the floor in each of the units	Pulls on drawers & cabinets in each unit
Provide Motion detector controls for the outside lights at least on entrance in each unit	For kitchen and bathroom countertops, provide a visual contrast at the front edge of the counter or between the counter and the cabinet in all units	At least one garden area raised to a minimum of 15" above the adjacent grade
A removable base cabinet in kitchens at the sink and one work surface and at the lavatory in at least one bathroom in accordance with ICC A117.1 Sections 1003.12.3.1, 1003.12.4.1 and 1003.11.2 in all bottom level units	Provide a 30" x 48" clear floor space in each bathroom. Where bathroom doors swing in, the clear floor space must be beyond the swing of the door	Provide 10 fc lighting for at least one work surface in each unit
In kitchens, provide pull out shelving for all standard base cabinets in each unit	All hallways 42" or wider in each unit	Controls for bathtubs or showers located between the centerline of the bathtub or shower stall and the front edge of the opening in at least one bathroom in each unit
Provide a roll-in shower in at least one bathroom in accordance with ICC A117.1 Section 608.2.2 or 608.2.3 in each unit	All wall reinforcements for a second handrail at stairways in each unit	All closet rods adjustable or provide a portion of each closet with two clothes rods at different heights in each unit
In 10% of the units, provide cook top with toe & knee clearance underneath in accordance with ICC A117.1 Section 1003.12.5.4.2. The underside of the cook top shall be insulated or otherwise configured to protect from burns, abrasions or electric shock	Where walls are provided adjacent to toilets, bathtubs or showers, provide blocking for a future installation of grab bars in accordance with ICC A117.1 Section 1004.11.1	Slide or bi-folding closet doors for reach-in closets in all units

Dishwasher unit with all operable parts and shelving between 15” and 48” above the flooring 10% of the units	All doors intended for user passage shall have a minimum clear width opening of 31-3/4”	Levers hardware doors intended for user passage in each unit
A fixed or fold down seat in the shower or a bathtub with a seat in at least one bathroom of 10% of the units	Kitchen Faucet with pull out spout in lieu of side mount sprayer in each unit	Electric outlets raised 15” minimum above the finished floor in each unit. Dedicated outlets and floor outlets are not required to comply with this section
Grab bars in bathroom and shower in 10% of the units (1st bathroom only for two bathroom units)	Provide a means of identifying visitors without opening the door in accordance with ICC A117.1 Section 1006.5.2	Provide a lighted doorbell at the outside of the primary entrance door to each unit in accordance with ICC A117.1 Section 1006.5.1
Remote controlled drape, blinds and/or curtains in 5% of the units	Significant color contrast between floor surfaces and trim in each unit	Countertop lavatories with lavatories located as close to the front edge as possible in 10% of the units
Carpet complying with ICC A117.1 Section 302.2 or slip resistant flooring	Visual contrast between stair risers and stair treads in each unit that contains stairways	Self-closing drawers on kitchen cabinets
		Mailboxes located between 24”-48” above the ground

Part 8: Scoring

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

Scoring Category	Points Possible
Project Characteristics	33
Development Features	27
Readiness	9
Capacity	25
Financing	10
Unique Features & Bonus	10
Total Possible Points	**114**

When there is a scoring criteria based on the county being served and there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number. An application must score at least 75 points to be considered for funding.

8.1 Project Characteristics — Category Maximum Points Possible: 32

This scoring category describes the proposed project. The points can be achieved through the following sub-categories: Constituency Served, Targeted Population, Comprehensive Community Development, Opportunity Index, and Services.

- *Constituency Served* — *Maximum Number of Points: 5*
  If the development commits to serving beneficiaries in IHCDA-assisted units with maximum incomes lower than required by the HOME program and maintains housing costs at affordable rates, points will be awarded in accordance with the following chart. Percentages are of the area median income (AMI) for the county in which the development is to be located. Awarded recipients will be held to the unit commitment in their award agreement. Changes to the AMI levels will require prior IHCDA approval.

Constituency Served	Points
20% of Population served at or below 40% AMI; **OR**	3
20% of Population served at or below 30% AMI	5

- *Targeted Population* — *Maximum Number of Points: 3*
  Points will be awarded to applicants that target populations with special housing needs under IHCDA's priority in accordance with the following guidelines and charts.

Target Population	Points
OPTION 1: Age-restricted housing in which at least 80% of the units in the development are restricted for occupancy by households in which at least one member is age 55 or older OR 100% of the units are restricted for households in which all members are age 62 or older.;	3

OR	
OPTION 2: Supportive housing using the Housing First model designed as either (1) 100% supportive housing or (2) integrated supportive housing where no more than 25% of the units will be supportive housing. Eligible supportive housing applicants must participate in the Indiana Supportive Housing Institute as described below; OR	3
OPTION 3: At least 20% of units are set-aside for households that meet one the "special needs population" definitions in Indiana Code 5-20-1-4.5 listed below* • Persons with physical or developmental disabilities • Persons with mental impairments • Single parent households • Victims of domestic violence • Abused childre • Persons with chemical addictions *Homeless persons and elderly are included in the Code definition but are excluded in this option as these target populations are addressed in Option 1 or 2 above. A household with a disability will be defined as a household in which at least one member is a person with a disability using the Fair Housing definition of disabled (see glossary). Applicants electing this targeting option must enter into a referral agreement with a qualified organization that provides services for the target population. See part 4.1(F) of the *Federal Programs Ongoing Rental Compliance Manual* for more information on referral agreements. *Submit Referral Agreement Form in "Tab I: Target Population". A boilerplate Referral Agreement can be found in the Appendices at the end of this application package.*	3

In order to receive points under Option 1 above, developments must satisfy the following criteria:

For New Construction:

- All common areas must be visitable and 100% of the units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code, and elevators or lifts must be installed for access to all units above the ground floor.
  Include the following:
  - *The originally signed HOME application will serve as certification that the development will comply with these requirements.*

For Rehabilitations:

- All common areas on the main floor must be visitable and 100% of the ground floor units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code, and all units above the ground floor must be adaptable as defined by the ADA and the Indiana Accessibility Code. If the building(s) contained elevator(s)/lift(s) prior to rehabilitation, the elevators/lifts will need to be maintained and all common areas must be visitable and 100% of the units above the ground floor will need to be accessible or adaptable.
  Include the following:
  - *The originally signed HOME application will serve as certification that the development will comply with these requirements.*

In order to receive points under Option 2 above, developments must meet the following criteria:

1) Applicant must successfully fulfill all requirements of the 2016 Indiana Supportive Housing Institute for the specific development for which they are applying. In order 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; and
ii. CSH has reviewed and approved the proposed budget, tenant selection plan, operation plan, and supportive service plan; and
iii. Project concept is aligned with Institute goals and team is ready to proceed.

2) Applicant must enter into an MOU with CSH for ongoing technical assistance (to be provided from completion of Institute until at least the end of the first year of occupancy). A copy of the MOU must be provided with the HOME application.

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

4) Applicant must identify all subsidy sources. Funding commitments must be provided with the HOME 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. If applicant is applying for Project Based Section 8 through IHCDA, Form G must be submitted. Form G can be found in the HOME Application Appendices.

- *Comprehensive Community Development* *Maximum Number of Points: 5*
  Projects with a comprehensive community development focus are a part of a broader, more comprehensive approach to area improvement. These projects have the capability of contributing to fundamental changes in the character of a targeted area. Only one plan will be considered for points unless the project spans multiple communities. In such cases, each community in which a unit is located must have a plan that satisfies all requirements. Stellar Community Strategic Investment Plans will not count for points in this category.

  In order to receive points under the Comprehensive Community Development scoring sub-category the applicant must submit a copy of the entire plan in *Tab J: Plan*. The plan must meet all of the following criteria:

  - Specific reference to the creation of or need for affordable housing;
  - The plan must be no older than 15 years;
  - Public participation and narrative about efforts leading to the creation of the plan;
  - A target area that includes the proposed project site; and
    - Submit a scaled map that includes the development area boundaries and the specific site(s) with a map key labeling the site address(es). Clearly label the boundaries and indicate the size of the plan's target area. Attach in *Tab J: Plan*.
  - Adoption by highest local unit of government
    - Submit a copy of the resolution by the highest local unit of government adopting the plan. Attach in *Tab J: Plan*.

- *Opportunity Index* *Maximum Number of Points: 10*
  Applicants may earn up to 10 points (with 2 points for each feature) for developments located within areas of opportunity.

  - Walk Score (2 points): Points will be awarded to developments with a Walk Score of at least 50. Find the Walk Score for the development site by visiting Walk Score and typing in the development address. For scattered site developments, take the average of all address scores.

    In order to receive points in this subcategory, *the applicant must submit in Tab K: Opportunity Index*:
    - Printout of the Walk Score webpage that includes the development address and Walk Score value.

  - Quality Education (2 points): Points will be awarded to applicants whose development location is assigned to at least one K-12 school (including charter schools) that, at the time of IHCDA application review, have a rating of "A" or "exemplary" or equivalent according to the most recent accounting from the Indiana Department of Education (http://www.doe.in.gov/accountability/find-school-and-corporation-data-reports). For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

In order to receive points in this subcategory, *the applicant must submit in Tab K: Opportunity Index*:

- Listing of K-12 schools with an "A" rating. If a scattered site development, please indicate which schools correspond to which sites.

- Public Transportation (2 points): Points will be awarded to developments located within a half-mile of a public transit station or bus stop. For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

  In order to receive points for this scoring subcategory, the applicant must submit a map in *Tab K: Opportunity Index* including:
  - Specific development location;
  - Transit station or bus stop location; and
  - A half-mile radius drawn from the development location.

- Fresh Produce (2 points): Points will be awarded to developments located within a half-mile of a store with fresh produce, such as a supermarket, grocery store, or a farmer's market. For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

  Stores with fresh produce must be:
  - Currently established
  - Have a physical location
  - Have regular business hours (farmers market must be open at least 5 months of the year)

  For the purposes of this scoring subcategory, gas stations, convenience stores, and drug stores do not qualify.

  In order to receive points for this scoring subcategory, the applicant must submit a map in *Tab K: Opportunity Index* including:
  - Specific development location;
  - Store or market location; and
  - A half-mile radius drawn from the project location.

- Health Factors (2 points): Points will be awarded to developments located within a county ranked from 1-23 in the most recent Overall Rankings in Health Factors (http://www.countyhealthrankings.org/app/indiana/2015/overview). For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- Unemployment Rate (2 points): Points will be awarded to developments located within a county that has an unemployment rate below the state average. (http://opportunityindex.org/). For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- Poverty Rate (2 points): Points will be awarded to developments located within a county that has a poverty rate below the state average (http://opportunityindex.org/). For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- Median Household Income (2 points): Points will be awarded to developments located within a county that has a median household income above the state average (http://opportunityindex.org/). For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- *Services* *Maximum Number of Points: 9*
  Points will be awarded to applicants whose projects contribute to the overall quality of life for the beneficiaries of the proposed project. Points will be awarded based on the chart below:

Level of Services	Points Possible
Level 1 Services: Up to three services at one point each.	3
Level 2 Services: Up to three services at two points each.	6
Level 3 Services: Up to three services at three points each.	9

If the HOME applicant or sub-recipient is providing services, an MOU must still be executed in order for the commitment to provide services to be on file in our application records. Applicants are required to use the IHCDA provided Tenant Investment Plan Service Agreement (MOU) unless the IHCDA legal department has provided written approval of an alternate MOU prior to application submittal.

In order to receive points for this scoring category, the applicant must submit in *Tab L: Services*:

For Rental Projects:

- **ONE** Form C: One Tenant Investment Plan Matrix listing all services for the entire proposed project (found in the HOME Application Appendices);
- Form D: Tenant Investment Plan Service Agreement (MOU) for **EACH** service provider with original or a copy of original signatures (found in the HOME Application Appendices);

8.2 Development Features **Category Maximum Points Possible: 32**

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

1) *Existing Structures* *Maximum Number of Points: 6*
   Points will be awarded to developments that utilize existing structures on at least 50% of the HOME assisted units. This may include properties in which an original substandard unit will be demolished and replaced with a comparable unit. Per the federal regulations, when replacing existing affordable housing, the number of replacement units must be one-for-one.

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

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

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

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

2) *Historic Preservation* *Maximum Number of Points: 2*

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

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

- Either a letter or report from the National Park Services, or Department of Natural Resources Division of Historic Preservation and Archaeology that specifically identifies the site as a historic resource or contributing to a district; **OR**
- A photocopied page from the most recent county Indiana Sites and Structures Interim Historic Report showing the structure is Contributing, Notable, or Outstanding in the County's Interim Report.

3) *Infill New Construction* *Maximum Number of Points: 5*

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

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

- Existing agricultural land; or
- Land where agriculture was the last use and it was within the last 10 years except within corporate limits; or

- Undeveloped Master Planned Communities; or
- Existing structures that will be rehabilitated.

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

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

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

4) *Provision of Additional Bedrooms* *Maximum Number of Points: 3*

Points will be awarded to developments where at least 20% of the HOME assisted units are three or more bedrooms.

In order to receive points, the applicant must submit in *Tab D: Readiness*:

- Preliminary floor plans that clearly identify the units with three or more bedrooms.

5) *Design Features* *Maximum Number of Points: 3*

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

Design Feature	Point
Exterior walls are at least 50% durable material (brick, stone, or cement board)	1
Roofing system has at least a 30-year warranty	1
Porch with a minimum of 48 square feet with a roof that is permanently attached to the residence	1
Deck or patio with a minimum of 64 square feet that is made of wood or other approved materials	1
Framing consists of 2” X 6” studs to allow for higher R-Value insulation in walls	1
Garage with a minimum of 200 square feet that is made of approved materials, has a roof, is enclosed on all sides and has at least one door for vehicle access	1
Crawl space or basement	1
Security system	1
Carport with a minimum of 200 square feet that is made of approved materials, has a roof, and is open on at least two sides	1
Attached or unattached storage space measuring at least 5' x 6'	1
Playground	1
Community room	1

6) *Universal Design Features* *Maximum Number of Points: 5*

Up to 5 points will be awarded for applicants that propose developments that go beyond the minimum threshold requirement for universal design features. Please refer to the universal

design features chart in the threshold section of this policy. The applicant will be awarded points as follows:

- 3 points will be awarded to applicants proposing to adopt a minimum of 3 universal design features from each universal design column.
- 4 points will be awarded to applicants proposing to adopt a minimum of 4 universal design features from each universal design column.
- 5 points will be awarded to applicants proposing to adopt a minimum of 5 universal design features from each universal design column.

Please refer to the table of universal design features on page 27.

7) *Smoke-Free Housing* *Maximum Number of Points: 3*

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

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

- Who the rule applies to (e.g. not only residents but also guests on the property)
- Definition of smoking
- Explanation of where smoking is prohibited on the property. Smoking must be prohibited in individual units and interior common space. Plan should also designate a smoking area on the property. The designated smoking area must prohibit smoking within a minimum of 15 feet from the buildings.
- Explanation of how the rule will be communicated and enforced
- Draft lease addendum for smoke-free housing

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

8) *Green Building* *Maximum Number of Points: 5*

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

Green Building Technique	Point
Orient structures on East/West axis for solar exposure	1
Include new trees in landscaping to curb winter winds and provide shade	1
Low VOC paints and finish materials	1
Install flow reducers in faucets and showers	1
Incorporate permeable paving	1
Minimize the disruption of existing plants and trees	1
Include recycling bins in the kitchen	1
Install recycled content flooring and underlayment	1
Install a light colored roofing material	1
Low flow toilets	1
Dual flush toilets	1

R-Value insulation exceeding Indiana State Building Code	1

8.3 Readiness **Category Maximum Points Possible: 9**

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

1) *Predevelopment Activities* *Maximum Number of Points: 6*

Points will be awarded to applicants that have completed some predevelopment activities according to the chart below. Up to six activities are eligible, up to six points. Points will only be awarded if the required supporting documentation, italicized below the activity description, are included in *Tab D: Readiness*.

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

Predevelopment Activity Completed	Points
Lead Testing *Submit a copy of the assessment report.*	1
Asbestos Testing *Submit a copy of the assessment report.*	1
Appraisal *Provide an appraisal that is no older than 6 months.*	1
Preliminary Plans *Provide electronic copies of architectural and/or engineering plans.*	1
Property Survey *Provide an electronic copy of the property survey.*	1
Capital Needs Assessment/Structural Needs Report *Provide a copy of the report performed by a licensed professional.*	1

2) *Contractor Solicitation* *Maximum Number of Points: 3*

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

In order to receive points, the applicant must submit in Tab L: Contractor Solicitation:

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

Minority Business Enterprise and Women Business Enterprise, including DMBE (Disadvantaged Minority Business Enterprise), and (Disadvantaged Woman Business Enterprise) and DMWBE (Disadvantaged Minority Woman Business Enterprise), means as an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more persons who are: (a) United States Citizens and (b) 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.

DBEs are for-profit small business owned or controlled by 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 maintains the Department of Veterans Affairs (VA) database of service-disabled veteran owned small businesses (SDVOSB) and veteran-owned small businesses (VOSB) called the Vendor Information Pages (VIP). The VIP database is accessed via www.VetBiz.gov. CVE performs the verification process for small businesses that self-represent themselves as veteran owned and controlled called the VA VOSB Verification Program.

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://imsdc.org
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2576.htm
VOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/
SDVOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/

8.4 Capacity **Category Maximum Points Possible: 25**

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

1) *Certification* *Maximum Number of Points: 5*

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

Attach copies of the certification completion in Tab O: Capacity.

Certification	Sponsoring Organization
Project Development Training	Indiana Association for Community and Economic Development (IACED)
Housing Development Finance Professional	National Development Council (NDC)
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis / Indiana Housing and Community Development Authority
Grant Administration Certification	Indiana Housing and Community Development Authority (IHCDA)
Certified HOME Program Specialist	HUD/CPD

2) *Overall IHCDA Award Performance of the Applicant* *Maximum Number of Points: 10*
Applicants with an IHCDA award monitored within the past five years may be eligible for points based on the applicant's overall performance. Only the most recently monitored award is eligible for points. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Description of Overall Award Performance	Points
Applicant's most recently monitored HOME award had no findings and no concerns.	10
Applicant's most recently monitored HOME award had no findings, but concerns were noted.	8
Applicant's most recently monitored HOME award had only one finding. **OR** No HOME experience, but **Applicant's** most recently monitored IHCDA award (different activity) had no findings and no concerns.	6

No HOME experience, but **Applicant's** most recently monitored IHCDA award (different activity) had no findings, but concerns were noted.	4
No HOME experience, but **Applicant's** most recently monitored IHCDA award (different activity) had only one finding.	2
Does not meet any category above. Examples: • More than one finding on most recently monitored award. • Applicant has no experience with IHCDA within the past five years.	0

3) *Administrator or Subrecipient Experience* *Maximum Number of Points: 5*
Only applicants without an IHCDA award in the past five years that have properly procured an administrator or subrecipient with previous IHCDA HOME experience may receive points in this category. Five points will be awarded if the administrator or subrecipient has successful experience administering an IHCDA HOME award that has been monitored within the past five years. In order to qualify for points, the most recently monitored award must not have had any findings. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

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

4) *Timely Expenditure of Funds* *Maximum Number of Points: 5*
Points will be awarded to an applicant that has expended their **most recent** IHCDA HOME or IHCDA CDBG award funds by the award expiration date without requesting award extensions. The award must be from within the past five years. Please list the award number in the application forms.

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

5) *IHCDA Award Inspection Performance of the Applicant* *Maximum Number of Points: 2*

Applicants with an IHCDA award inspected within the past five years may be eligible for points based on the applicant's IHCDA inspection results. Points will be awarded if zero building code issues were noted on the applicant's last monitored award.

8.5 Financing — Category Maximum Points Possible: 12

1) *Public Financial Participation* — *Maximum Number of Points: 6*

Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds. A "firm commitment" means that the funding does not require any further approvals. "Public funds" include federal, state, or local government funds. This can include funds awarded from other federal or state agencies, the Federal Home Loan Bank**,** or waivers resulting in quantifiable cost savings that are not required by federal or state law. Banked match is an allowable source of match for the proposed development, however banked match is not allowed as a source to count for points in this scoring category.

Points will be awarded based on the amount of public participation funding divided by the total development costs:

% of Public Participation Funding	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	4
4.00% to 4.99%	5
Greater than 5.00%	6

In order to qualify for points in this category the applicant must submit in Tab H: Match/Leverage a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

2) *Non-Public Financial Participation* — *Maximum Number of Points: 6*

Points will be awarded to applicants whose proposed project has received a firm commitment to leverage other non-public funding sources. A "firm commitment" means that the funding does not require any further approvals. "Other non-public funding sources" include (but are not limited to) private funding (including securing private loans), funds from a local community foundation, donations, etc. Banked match is an allowable source of match for the proposed development, however banked match is not allowed as a source to count for points in this scoring category.

Points will be awarded based on the amount of other funding sources leveraged divided by total development costs:

% of Non-Public Funding	Point(s)
.50% to .99%	1

1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	4
4.00% to 4.99%	5
Greater than 5.00%	6

In order to qualify for points in this category the applicant must submit in Tab H: Match/Leverage a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

8.6 Unique Features & Bonus **Category Maximum Points Possible: 10**

1) *Unique Features* *Maximum Number of Points: 5*

Points will be awarded to applicants that offer unique features that contribute to each of the beneficiary units of the proposed project. Unique features should be a creative addition to the proposed program. They should enhance the overall character of the proposed development, improve the beneficiary units and the community's quality of life, health, and/or safety. Unique features can be included in the financial structure of the project, involve members of the community, include items specific to the target area/project location, or could include special services offered to the population served.

Points are awarded relative to other projects being scored during each application cycle and are awarded in IHCDA's sole and absolute discretion. The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of 5 points.

% of Applications	5%	8%	12%	16%	18%	16%	12%	8%	5%
Points	5	4.5	4	3.5	3	2.5	2	1.5	1

In order to receive points in this category, the applicant must submit in Tab P: Unique Features a narrative summary of the proposed unique features. Features receiving points in other sections of this application will not be considered for Unique Feature points.

2) *Bonus* *Maximum Points Possible: 5*

The applicant will receive five (5) bonus points for answering all questions and turning in all required supporting threshold and scoring documentation.

Part 9: Glossary of Terms

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

Administrator: A procured entity that will assist carrying out the HOME award.

Aging in Place: - Aging in Place (AIP) refers to adapting our collective living environment so it is safer, more comfortable, and increases the likelihood a person can live independently and remain at home as circumstances change. Primary target populations for aging in place strategies are seniors, families with seniors, and persons with disabilities.

Beneficiary: The household or unit that received homeowner repair work as a result of the HOME award.

CHDO: A Community Housing Development Organization. A non-profit, community- based organization with the capacity to develop affordable housing for the community it serves, as defined in the HOME rule and as certified by IHCDA. Participating Jurisdictions (IHCDA) must set aside a minimum of 15% of their HOME allocations for activities in which CHDOs are the owners, developers, and/or sponsors of the housing.

Comprehensive Community Development: Every community strives to be a place where people choose to live, work, and play. Comprehensive development means that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because of the unique synergy they generate. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. Comprehensive development marshals resources and deploys coordinated strategies in a concentrated area to create opportunities for others in the community to take prudent risks and reap the rewards. The demolition of blighted structures, the rehabilitation of long-vacant housing and the creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

Development: The HOME activity proposed in the application.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: Elderly can have one of two definitions as elected by the applicant:

- A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older. For housing using this definition of elderly, at least 80% of the units must be age restricted; OR
- A person 62 years of age or older. This target population only includes households in which all household members are 62 years of age or older. For housing using this definition of elderly, 100% of the units must be age restricted.

HOME: The Home Investment Partnerships Program as created by the National Affordable Housing Act of 1990.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum income limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Large City: For purposes of this policy, a large city is defined as a city with a population of 75,000 or more. To qualify as being located within a large city, the project must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

Median Income: A determination made through statistical methods establishing a middle point for determining income limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a document describing a bilateral or multilateral agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the project.

Referral Agreement: An agreement in which the recipient and a qualified organization enter into an agreement in which the recipient agrees to (a) set aside a number of units at the project for a special needs population and (b) notify the qualified organization when vacancies occur, and in which the qualified organization agrees to (a) refer qualified households to the project and (b) notify clients of vacancies at the project.

Rent Limits: The HUD published maximum rent amount, including a utility allowance and any non-optional fees. Rent limits are published by bedroom size and by AMI level.

Rural: A project is considered to be rural if it meets one of the following criteria:

a. The project is located within the corporate limits of a city or town with a population of 14,999 or less; or

b. The development is located in an unincorporated area of a county that does not contain a city or town that meets the definition of large city or small city as set forth in this glossary; or

c. The project is located in an unincorporated area of a county whereas;

i. The project is outside the 2-mile jurisdiction of either a large city or small city as defined in this glossary; and

ii. The project does not have access to public water or public sewer from either the large city or small city as defined in this glossary.

Small City: For purposes of this policy, a small city is defined as a city with a population of between 15,000 and 74,999. To qualify as being located within a small city, the development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

Visitability: Visitability is defined as design concepts that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. There are three specific design elements that must be incorporated to satisfy the visitability mandate:

- Each unit must contain at least one zero-step entrance on an accessible route. This can be any entrance to the unit;
- All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width; and
- Each unit must contain at least one (1) half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11.

Part 10: Development Fund

1.1 Overview

The Indiana Affordable Housing and Community Development Fund ("Development Fund") was established in 1989 to provide financing options for the creation of safe, decent, and affordable housing and for economic development projects in Indiana communities. Development Fund regulations may be found in Indiana Code 5-20-4. Developments also involving federal funding (e.g. HOME Investment Partnership Program or Community Development Block Grant), tax-exempt bonds, or Low-Income Housing Tax Credits ("LIHTC") must comply with the requirements of those programs.

The Development Fund provides a loan of up to $500,000 (or a grant in limited special circumstances) for eligible activities as defined within this policy.

For more detailed information on the Development Fund program please consult the Development Fund Manual.

1.2 How to Apply

Development Fund awards are approved through the IHCDA Development Fund Application or in conjunction with LIHTC applications through the Qualified Allocation Plan ("QAP"), HOME applications through the HOME funding round, or with CDBG applications through the CDBG funding round.

Development Fund requests in conjunction with other funding sources must be submitted in accordance with the application procedures and deadlines for those programs.

1.3 Eligible Applicants

Applicants eligible to apply in conjunction with a HOME application include nonprofit corporations and local units of government. IHCDA must allocate at least 50% of the fund to recognized nonprofit corporations under Section 501(c)(3) of the U.S. Internal Revenue Code.

Awardees with current Development Fund awards are eligible to apply for additional funding. All outstanding awards must be current (if loans), in compliance with all program requirements, and otherwise in good standing in order to be considered for additional awards. However, no individual project sponsor or its affiliates may hold more than 20% of the Development Fund's total portfolio at any one time.

Individuals or organizations currently on IHCDA's suspension or debarment list are not eligible to apply for Development Fund awards.

1.4 Eligible Beneficiaries

The Development Fund can be used to finance assisted units for occupancy by households earning up to 80% of the area median income, as published annually by HUD. Indiana Code governing the Development Fund requires at least 50% of the dollars allocated to be used to serve "very low-income households" (households earning less than 50% of the area median income). **Therefore, at least 50% of**

the Development Fund assisted units must be designated for households at or below 50% AMI, and the remaining Development Fund assisted units must be designated for households at or below 80% AMI.

1.5 Eligible Residential Activities

Eligible HOME activities include, but are not limited to, acquisition, new construction, and/or rehabilitation of homes for sale, permanent rental units, and permanent supportive housing projects that have successfully completed the Indiana Supportive Housing Institute.

1.6 Eligible Activity Costs

For more information on eligible and ineligible activity costs please see §1.8 and §1.9 of the Development Fund Manual. Questions about eligible vs. ineligible soft costs under the Development Fund program can be directed to the IHCDA Underwriting and Closing Manager.

1.7 Match Requirements

Applicants for Development Fund must be able to document a local match in an amount of at least 10%. Acceptable match sources include in-kind donations, donated land, owner equity, building materials, loans, cash grants, or any combination of both in-kind and cash. Other sources of match may also qualify, **except for funds administered by IHCDA**.

1.8 Development Fund Activity Provisions

The Development Fund may provide loans or grants up to $500,000 per development. Development Fund grants will only be made in conjunction with special IHCDA initiatives as announced by IHCDA. Except for these special initiatives, IHCDA will only accept Development Fund applications for loans.

The Development Fund may be used for the following types of loans:

- Pre-development: to pay project pre-development expenses;
- Acquisition: to pay for purchase and closing costs for property acquisition;
- Construction: to pay for hard and soft costs of new construction and rehab projects;
- Permanent: to provide permanent financing to the project; and/or
- Bridge: financing to bridge the timing gap between project or program costs and cash from committed sources not yet available (equity).

Homebuyer projects are not eligible for permanent or bridge financing.

1.9 Loan Terms

The base interest rate for loans is 3%. The interest rate offered by IHCDA will be determined during underwriting. **Underwriting will start at 3% and make a final determination based on financial capacity. The final interest rate will not be less than 3%, but may exceed 3% based on capacity.**

1.10 Underwriting Guidelines

For more information on underwriting guidelines please see §2.4 of the Development Fund Manual. Questions about these guidelines can be directed to the IHCDA Underwriting and Closing Manager.

1.11 Affordability Period/Lien and Restrictive Covenants

Rental developments will be subject to a Lien and Restrictive Covenant Agreement that must be executed against every residential property constructed, rehabilitated, or acquired, in whole or in part, with Development Fund funds. If the award is made in conjunction with HOME or CDBG funding, the development will be subject to the applicable program affordability period.

Upon occurrence of any of the following events during the affordability period, the entire sum secured by the lien, without interest, shall be due and payable by developer and/or owner upon demand. Repayment may be demanded upon: (1) transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the affordability period; (2) commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the affordability period; or (3) determination that units are not being used as a residence by a qualifying tenant or not leased according to the program affordability requirements. The award recipient will be responsible for repaying IHCDA. At the end of the affordability period, if the borrower/recipient has met all conditions, the lien will be released.

1.12 Income and Rent Restrictions/Ongoing Compliance

All Development Fund-assisted units in residential developments must be income and rent restricted. If the award is made in conjunction with HOME funding or is Development Fund only, then the HOME program income and rent limits will apply. Developments with Development Fund combined with another program must follow the recertification requirements of that program.

When Development Fund is combined with other funding sources, the audit/inspection cycle will occur based on the cycle and frequency prescribed by that program.

1.13 Modifications

IHCDA may consider requests for changes to the characteristics of a development. **A modification fee of $500 will be imposed if loan documentation has been finalized. Additionally, a $1,500 fee will be required if any legal documents, such as the recorded Lien and Restrictive Covenant, need to be amended as a result of the request.**

Approval of modification requests is at the sole discretion of IHCDA. IHCDA must evaluate each request to see how the change would have affected original funding and underwriting of the development as well as to ensure that the proposed change will not cause noncompliance.

When submitting a modification request, please provide the following:

a. Formal written request from the Owner/Developer detailing the specific request and the reason the request is needed
b. The impact to the project in the event the modification request is not approved
c. Modification fee of $500.00 if loan documentation has been finalized

d. Updated HOME application pages that reflect changes to the original application based on the current closing projections and/or proposed modification

At its discretion, IHCDA may request additional supporting documentation.

Part 1: Application Process

1.1 Overview

The purpose of this HOME Investment Partnership Program ("HOME") application is to provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation and/or new construction of single-family housing to serve low and moderate-income beneficiaries. Through this program, the Indiana Housing and Community Development Authority ("IHCDA") seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate HOME funds to be used for the rehabilitation and/or new construction of single-family homebuyer housing among selected applicants having projects that meet the requirements of the program and IHCDA's goals for the program.

1. Demonstrate they are meeting the needs of their specific community.
2. Serve low-income households (at or below 80% of area median income).
3. Are ready to proceed with the activity upon receipt of the award.
4. Propose to revitalize existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan).
5. Serve the housing needs of special needs populations including but not limited to seniors, persons with disabilities, and families with seniors or persons with disabilities.
6. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.
7. Propose the use of state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and/or Service Disabled Veteran Owned Small Business (SDVOSB) contractors, employees, and products when applicants are planning and undertaking their housing activities.

1.2 HOME Application Forms and HOME Policy Discrepancies

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

1.3 Funding Round Timeline

Note: This is an anticipated schedule and is subject to change or extension.

Application Available / Round Begins	January 2016
Application Webinar	March 2016 (Date and Time TBD)
Application Due Date	August 5, 2016
Award Announcements	October 27, 2016

1.4 Application Webinar

An application webinar will be conducted prior to the application deadline. During the webinar, the IHCDA Real Estate Production Department staff will describe the requirements of the HOME program, threshold and scoring criteria, how to complete the required forms, and how to submit the application documents. Local units of government and not-for-profit entities intending to apply are *strongly encouraged* to attend.

1.5 Technical Assistance

The applicant may, but is not required, to schedule a technical assistance meeting with its regional IHCDA Real Estate Production Analyst to discuss both the proposed project and IHCDA's application process. Technical assistance may be required at IHCDA's discretion if the recipient does not have experience with IHCDA awards or if the recipient's past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

1.6 Application Submission

The applicant must submit the following items to IHCDA's Real Estate Department Coordinator:

- Via IHCDA's FTP site:
    - One completed copy of the HOME application forms.
    - All supporting documents required in the tabs. Please submit this information as separate, labeled PDF documents under the required labeled tabs. Do not send one PDF containing all of the supporting documentation.
- Via hard copy:
    - One completed copy of the final application forms with original signatures.
    - Application fee of $500.

Application fees should be made payable to IHCDA. If a check is returned for insufficient funds, the application will be denied. The application fee is non-refundable.

All required application items are due no later than 5:00 p.m. Eastern Standard time on or before the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Instructions on how to utilize the FTP site will be explained during the application webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: HOME Application
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

IHCDA will send an email confirmation to the applicant contact within one week of submission notifying the applicant that the application was received by IHCDA. Please notify Dani Miller at danmiller@ihcda.in.gov if the applicant would like to add an additional contact person for communications regarding its application.

1.7 Application Review

Each application must address only one project. Applications are reviewed in a seven step process:

Step One - Completeness	IHCDA reviews to determine if the applicant must provide all required documents, signatures, and attachments before the application deadline.
Step Two – Preliminary Threshold	IHCDA reviews application and submitted documents to determine if the application meets the minimum threshold criteria for awards.
Step Three – Threshold Clarification	IHCDA provides preliminary threshold review information to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. If the applicant responds, it must be by the deadline set by IHCDA.
Step Four – Final Threshold	IHCDA reviews applicant's response to preliminary threshold and determines if applicant meets threshold. If applicant does not meet threshold, the application may not be not scored and may not be awarded funding.
Step Five – Preliminary Scoring	Applications that pass the completeness and threshold reviews are scored according to IHCDA's published scoring criteria in this policy.
Step Six – Scoring Clarification	IHCDA provides a preliminary score sheet to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. No new scoring documentation may be submitted after the initial application has been submitted. Any response must be received by the deadline set by IHCDA.
Step Seven – Final Scoring	IHCDA reviews applicant's response to preliminary scoring and determines a final application score. Applications with more than three outstanding threshold and/or scoring clarifications at final threshold or final scoring, respectively, will be disqualified. IHCDA determines which applications will be funded based on their final scores. Some applications may receive less than their total request amount based on the total funding available.

Bonus points will be awarded to applications that require no clarifications.

Applications proposing homebuyer activities will be scored separately from, and will not compete with, applications proposing rental activities. An amount of funding, determined at the discretion of IHCDA, will be set aside for homebuyer projects each year. This round has a maximum of $1,000,000 available for homebuyer activities. If additional funds are available after this round that were originally reserved

for homebuyer activities (either due to lack of sufficient number of homebuyer applications in general or lack of homebuyer applications meeting threshold requirements), these funds will be redirected and used for rental development.

Funded applications will be announced at the published IHCDA Board Meeting date. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified by IHCDA via denial letters and final score sheets being uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications not funded will not be rolled over into the next funding round.

1.8 Minimum Score Requirement

An application must score at least 75points to be considered for funding.

1.9 IHCDA CDBG & HOME Program Manual

The IHCDA CDBG & HOME Program Manual (the "Program Manual") outlines the requirements for administering IHCDA's HOME awards. In addition, recipients of funding for rental developments should also refer to the Federal Programs Ongoing Rental Compliance Manual for information about compliance during the affordability period. Complete copies of both manuals are available on IHCDA's HOME program webpage. Program Manual exhibits can be found at this location: http://www.in.gov/myihcda/2490.htm.

Part 2: Eligible Applicants

2.1 Eligible Applicants

HOME Investment Partnerships Program (HOME)	Cities, Town, and Counties (Non-HOME Participating Jurisdiction)	Community Housing Development Organizations (CHDO)	501(c)3 and 501(c)4 Not-for-Profit Organizations and PHAs	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Homebuyer New Construction and/or Homebuyer Rehabilitation	✓	✓	✓	✓	Not eligible

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of the following participating jurisdictions. Applications from, or housing activities located within, the following participating jurisdictions are NOT eligible for HOME funds:

Anderson
Bloomington
East Chicago
Evansville
Fort Wayne
Gary
Hammond
Indianapolis*
Lake County
Lafayette Consortium**
Muncie
South Bend Consortium***
Terre Haute

*Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is outside of Marion County.

**Lafayette Consortium is made up of the Cities of Lafayette and West Lafayette and the unincorporated areas of Tippecanoe County. Other incorporated areas are eligible to receive assistance.

***South Bend Consortium is made up of the Cities of South Bend and Mishawaka and the unincorporated areas of St. Joseph County. Other incorporated areas are eligible to receive assistance.

2.2 Ineligible Applicants

IHCDA reserves the right to disqualify from funding any application that has an applicant, sub-recipient, administrator, preparer, or related party of any of the aforementioned, with a history of disregarding the policies, procedures, or staff directives associated with administering any IHCDA program or program administered by any other State, Federal, or affordable housing entity. This includes, but is not limited to, the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, or the Federal Home Loan Bank.

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

2.3 Religious and Faith-Based Organizations

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

Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.

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

Part 3: Eligible Activities & HOME Program Requirements

3.1 Eligible Activities

This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation and/or new construction of single-family housing for homebuyer activities. Acquisition only is not an eligible activity; however acquisition in conjunction with another activity is permitted.

- Acquisition, rehabilitation and/or new construction of single-family housing.
- If HOME funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence within 12 months of the demolition or acquisition.
- Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
    - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
        - Shall have been constructed after January 1, 1981, and must exceed nine hundred fifty (950) square feet of occupied space per I.C. 36-7-4-1106 (d);
        - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
        - Has wheels, axles and towing chassis removed;
        - Has a pitched roof;
        - Consists of two or more sections which, when joined, have a minimum dimension of 20' X 47.5' enclosing occupied space; and
        - Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
        - All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCDA.

3.2 Ineligible Activities

Ineligible housing activities in this Homebuyer Round include:

- Rental housing;
- Performing owner-occupied rehabilitation;
- Permanent Supportive Housing developments except for proposed developments that have successfully completed the Indiana Permanent Supportive Housing Institute. Permanent Supportive Housing developments will also be funded through the Rental Housing Tax Credit (RHTC) program.
- Group homes;
- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- Rehabilitation of mobile homes;

- Acquisition, rehabilitation, refinancing, or new construction if any part of a home or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the project;
- Acquisition, rehabilitation, or construction of any developments that will be applying for RHTC. These developments must apply for HOME funds as part of the RHTC application (also called the Qualified Allocation Plan);
- Any housing activity funded under Title VI of NAHA, prepayment of mortgages insured under the National Housing Act, public housing developments, or acquisition, rehabilitation or construction of any developments funded under HUD's former Rental Rehabilitation Program;
- Costs for supportive services, homeless prevention activities, operating expenses, or for the use of commercial facilities for transient housing;
- Acquisition, rehabilitation, or construction of transitional housing or emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for homeless persons;
- Payment of HOME loan servicing fees or loan origination costs;
- Tenant-based rental assistance;
- Payment of back taxes.

IHCDA **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international developments;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, gender identity, or against victims of domestic violence, dating violence, sexual assault, or stalking in policy or in practice;
- Developments in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- Medical research or medical profit-making enterprises.

3.3 HOME Program Requirements

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

- Recipients must comply with all regulatory requirements listed in 24 CFR Part 92.
- Homebuyer activities must assist households at or below 80% of the Area Median Income for the county, as published by HUD and distributed by IHCDA. Households must also meet the definition of "low-income families" at 24 CFR 92.2 which limits occupancy based on certain student status rules (see Chapter 1 in the IHCDA Program Manual).
- An income verification is valid for a period of six months. If more than six months pass between income verification and contract execution/purchase agreement, then a new income verification must be completed. All income verification procedures outlined in the IHCDA Program Manual, Income Verification Chapter 8 must be followed.
- All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur at the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections. (IHCDA Program Manual, Construction Standards & Physical Inspections Chapter 14)

- The match requirement for the HOME program is 25% of the total amount of HOME funds requested except HOME funds used for environmental review costs (pursuant to §92.206(d)(8)), administrative and planning costs (pursuant to §92.207); CHDO operating expenses (pursuant to §92.208); capacity building (pursuant to §92.300(b)) of CHDOs; and predevelopment or seed money loans to CHDOs (pursuant to §92.301) when IHCDA waives repayment under the provisions of §92.301(a)(3) or §92.301(b)(3).
- To help facilitate timely expenditure of HOME funds, all applicants are required to submit the Environmental Review Record (ERR) and Section 106 Review at the time of application. If awarded HOME funds, the HOME recipient must receive an IHCDA Release of Funds before the fully executed award documents are released and any funds are drawn. (IHCDA Program Manual, Environmental Review Chapter 11). For more information, contact the IHCDA Placemaking Manager.
    - Applicants may not purchase any property to be assisted with HOME funds, sign contracts, or begin rehab/construction until the ERR/Release of Funds process has been completed and approved.
- Each recipient of a HOME award will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award. (IHCDA Program Manual, Procurement Procedures Chapter 10)
- Each recipient of a HOME award must follow the Davis Bacon requirements found in 29 CFR Parts 1, 3 and 5 to ensure workers receive no less than the prevailing wages being paid for similar work for the following type of projects:
    - Rehabilitation or new construction of a residential property containing twelve (12) or more HOME-assisted units; and
    - Affordable housing containing twelve (12) or more units assisted with HOME funding regardless of whether HOME funding is used for construction or non-construction activities.
    - Such properties may be one (1) building or multiple buildings owned and operated as a single development.
    - Public Housing Authorities (PHA's) using PHA funds in conjunction with IHCDA funds are subject to Davis Bacon requirements.
- Each recipient of a HOME award must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the HOME award. (IHCDA Program Manual, Procurement Procedures Chapter 10)
- Each recipient of a HOME award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed. (IHCDA Program Manual, Lead Based Paint Chapter 2)
- Each recipient of a HOME award is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). See IHCDA's Program Manual Chapter 4 for guidance on the regulatory requirements of the URA, as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.
- Housing must meet the accessibility requirements of 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined in 24 CFR Part 100.201. It must also meet the design and construction requirements of 24 CFR 100.205 which implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C.

3601-3619). See the IHCDA Program Manual Chapter 3 for guidance on the regulatory requirements of Section 504 Accessibility Standards.

- Units must, at a minimum, meet the stricter of the local rehabilitation standards or the Indiana State Building Code.
- Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
- Any recipient receiving an aggregate amount of $200,000 or more from one (1) or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects. (IHCDA CDBG & HOME Program Manual, Section 3 Chapter 7)
- Homebuyer housing with five or more HOME-assisted units must adopt IHCDA's Affirmative Marketing Procedures. See the IHCDA Program Manual Chapter 5 for guidance on Affirmative Marketing Procedures.
- Recipients of HOME funds must meet additional energy efficiency standards for new construction as described in 24 CFR 92.251.
- The recipient of HOME funds must ensure that every HOME-assisted homebuyer receives housing counseling before purchasing a home. The counseling can be provided by the recipient, an organization under contract with the recipient, or a qualified third party independent recipient (e.g., a HUD-approved housing counseling agency). The counseling should be comprehensive by including post-purchasing counseling, if feasible.
- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the development, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.
- Any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within nine months of completion must be converted to a HOME-assisted rental unit.
- Recipient must follow the non-discrimination requirements of the Fair Housing Act, the Violence Against Women Reauthorization Act of 2013, and the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule.
- In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or

affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Recapture Agreement.

- Before an applicant can apply for a new HOME, CDBG or CDBG Disaster award, any other HOME, CDBG or CDBG Disaster awards that the applicant has received from IHCDA must be drawn down by a minimum of 25% of the award's total funding amount.

3.4 Affordability Requirements

HOME subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The affordability period begins on the date the activity is completed in IDIS. To be completed in IDIS, the project must be completed, completion and close out documents submitted and approved, final monitoring is completed and, when any findings or concerns are resolved, all of the funds are drawn and/or deobligated.

The following affordability periods apply to all HOME homebuyer activities:

Amount of HOME subsidy per unit:	Affordability Period
Under $15,000	5 years
$15,000 - $40,000	10 years
Over $40,000 or any rehabilitation/refinance combination activity	15 years

Pursuant to CPD Notice 12-003, the recipient must take measures to ensure that HOME-assisted homebuyer units continue to be the homebuyer's principal residence throughout the Affordability Period by annually certifying the principal place of residency. Confirmation that the buyer is using the property as his or her principal residence can often be accomplished by verifying that the buyer's name appears on utility company records and/or insurance company records for the home. In addition, postcards or letters mailed with "do not forward" instructions can demonstrate whether the buyer is receiving mail at the home.

Annual Certification of Compliance:

In order to ensure compliance with the Affordability Period and principal place of residency requirements of the HOME Program for HOME-assisted homebuyer units, the recipient must submit a "Homebuyer Activity Annual Certification of Compliance" annually throughout the Affordability Period.

This will require the recipient to certify compliance to IHCDA annually, under penalties of perjury, for each year of the Affordability Period. The recipient must certify that each home/homeowner assisted with HOME funds under this Award meets the affordability requirements. This will require the recipient to contact each homeowner to request the homeowner to execute the "Exhibit A: Principal Place of Residency Certification."

The "Homebuyer Activity Annual Certification of Compliance" is due on or before January 31st of each year and will certify information for the preceding twelve (12) month period. The first annual owner certification is due by January 31st of the year following closeout date (i.e. the first year of the affordability period) of this Award.

A complete submission includes the Certification, Exhibit A, and Exhibit B. The "Homebuyer Activity Annual Certification of Compliance" and related exhibit forms are made available on the compliance and asset management page of IHCDA's website at http://www.in.gov/myihcda/2342.htm. IHCDA will not send these forms to the recipient annually. Rather, it is the responsibility of the recipient to download the necessary forms and to contact IHCDA if there are any questions or concerns.

If the annual certification is not submitted for the Award by the January 31st due date, IHCDA will contact the recipient with a reminder letter. Failure to submit reports by the deadline will result in a $100 late fee. This fee will be requested in the reminder letter sent by IHCDA.

Repeated failure to submit reports or to comply with requests for reports could result in repayment of HOME funds associated with these home-assisted homebuyer units or suspension or debarment of the recipient. For more information on IHCDA's suspension and debarment policy, refer to Chapter 17 of IHCDA's *HOME and CDBG Program Manual.*

3.5 Homebuyer Resale Provisions

Applicants are encouraged to structure homebuyer projects to include a direct subsidy which can be achieved by reducing the sales price below the fair market value of the property. IHCDA does not recommend the use of resale provisions due to the risks associated with foreclosure, non-compliance and the administrative burdens associated with ensuring a fair return.

When a homebuyer property is constructed, redeveloped, rehabilitated, or acquired, in whole or in part, with HOME funds and the HOME funds are provided to the homebuyer property in the form of a development subsidy and there is no direct homebuyer subsidy the recipient must implement resale requirements. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase ("direct homebuyer subsidy"). The development subsidy consists of the difference between the cost of producing the unit and the market value of the property.

There are two different consequences that may be associated with a resale provisions (1) the resale provision can be triggered and its requirements must be met (as described below) or (2) an event of non-compliance can occur (as described further below).

The resale provisions are triggered if any of the following occur during the Affordability Period:
(1) the homebuyer transfers or conveys the property by deed, land contract, or otherwise;
(2) foreclosure proceedings are commenced against the property;
(3) the property is transferred by an instrument in lieu of foreclosure; or
(4) the title to the property is transferred from the homebuyer through any other involuntary means.

The resale provision requires that the property: (1) must be resold to another individual or family, whose income is at or below eighty percent (80%) of the area median income; and (2) must be occupied by that individual or family as its primary residence for the remainder of the Affordability Period; and (3) must be resold at a price that is affordable, therefore a family between fifty percent (50%) and eighty percent (80%) of area median income would not pay more than twenty-nine percent (29 %) of its gross income towards principal, interest, taxes and insurance for the Real Estate on a monthly basis ("Affordable Price"); and (4) must be affordable for a reasonable range of low income families between fifty percent (50%) and eighty percent (80%) of the median area income for the geographic area

published annually by HUD. The homebuyer is entitled to a fair return on its investment (as described below) upon the sale of the property. The fair return will be based on the percentage change in the Consumer Price Index for All Urban Consumers Owners' Equivalent Rent of Primary Residence category in Table I of the CPI Detailed Report (the "CPI Index") during the period of the homebuyer's ownership of the property. Accordingly, the CPI Index during the month the residence was completed (the month during which the completion reports were received by and approved by IHCDA) will be compared to the CPI Index during the month the homebuyer sells the residence to determine the percentage of the return. This percentage will be multiplied by the homebuyer's investment. Here is an example:

Original sales price=$100,000
initial homebuyer investment=$5,000
capital investment=$9,000
Percentage change in CPI=3.5%

($5,000 + $9,000) x 3.5%= $490 fair return
$5,000 + $9,000 + $490=$14,490 total return to original homebuyer at sale

$100,000 + $14,490= maximum allowable subsequent sales price.

The homebuyer's investment will include any down payment, plus any capital improvements. A capital improvement is any property enhancement that increases the overall value of the property, adapts it to new uses, or extends its life such as: adding windows, insulation, a new drive way, a new furnace, a garage, bedroom, new roof, remodeling kitchen, etc. Any capital improvement will be valued based on actual cost as documented by the homebuyer's receipts. Generally, replacing worn or dated components such as appliances or carpet would not be considered an improvement that adds value or adapts it to new uses. In certain circumstances, such as a declining housing market where home values are depreciating, the homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price and a loss on investment may constitute a fair return.

IHCDA will provide HOME assistance to the subsequent homebuyer to ensure that the original homebuyer received a fair return and that the unit is affordable to the defined low-income population.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property. In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Resale Agreement.

Non-Compliance. Non-compliance occurs during the Affordability Period when an owner (1) vacates the unit or rents the unit to another household, (2) sells the unit to a buyer that is not income-eligible, (3) sells the unit to a buyer that will not agree to use the property as its principle residence for the remainder of the Affordability Period (will not sign a lien and restrictive covenant agreement), or (4) does not sell it to the buyer at a reasonable price. In the event of noncompliance, the recipient must repay the entire amount of HOME funds invested in the housing.

Under resale guidelines the Affordability Period is based upon the total amount of HOME funds invested into the property **and this is the amount that would need to be repaid by the recipient in the event of a non-compliance or a foreclosure that occurs during the affordability period**.

Total Amount of HOME Funds Invested into the Property	**Affordability Period**
Under $15,000	5 years
$15,000 to $40,000	10 years
Over $40,000	15 years

Applicants are encouraged to structure homebuyer projects to include a direct subsidy which can be achieved by reducing the sales price below the fair market value of the property. IHCDA does not recommend the use of resale provisions due to the risks associated with foreclosure, non-compliance and the administrative burdens associated with ensuring a fair return.

3.6 Homebuyer Recapture Guidelines

The recipient must implement recapture restrictions for any homebuyer property purchased, in whole or in part, by a homebuyer that received a direct subsidy from the recipient from HOME funds. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing). **Developers, other than CHDO's, are not allowed to provide down-payment or closing cost assistance, however a developer may provide a direct subsidy by reducing the purchase price from fair market value to an affordable price.**

There are two different consequences that may be associated with a recapture provision (1) the recapture provision can be triggered (as described just below) or (2) an event of non-compliance can occur (as described further below).

The recapture provisions are triggered, if, any of the following occur during the Affordability Period:
(1) the homebuyer transfers or conveys the property by deed, land contract, or otherwise;
(2) foreclosure proceedings are commenced against the property;
(3) the property is transferred by an instrument in lieu of foreclosure; or
(4) the title to the property is transferred from the homebuyer through any other involuntary means.

Recapture provisions require that the direct homebuyer subsidy must be recaptured if any of the above-referenced events occur. The amount of the direct homebuyer subsidy shall be reduced by multiplying the direct homebuyer subsidy by the Forgiven Ratio ("defined below") in order to determine the amount that will be forgiven. The amount to be recaptured and shall be limited to the Net Proceeds of the sale. "Net Proceeds" means the sales price minus superior loan repayment (other than HOME funds) and closing costs. If there are no Net Proceeds, the amount to be recaptured will be zero and the HOME loan is considered satisfied. In the event there is significant market appreciation, once the HOME obligation is recaptured, the homebuyer can retain any appreciation. The amount recaptured cannot exceed the Net Proceeds, if any. "Forgiven Ratio" means a ratio that calculates the amount of the Direct Subsidy that is forgiven. This ratio shall be calculated by dividing the number of full months that owner occupies the property as its principal residence by the total of number of months in the Affordability Period.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property.

In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Recapture Agreement.

If there is both a development subsidy and a direct homebuyer subsidy or just a direct homebuyer subsidy, a recapture provision must be implemented. In cases where a direct homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

Non- Compliance. Non-compliance occurs during the Affordability Period when any of the following occur: 1) the original homebuyer no longer occupies the unit as his or her principal residence (i.e., unit is rented or vacant), or 2) the home was sold during the Affordability Period and the recapture provisions were not enforced. In the event of noncompliance, the recipient must repay the entire amount of the HOME funds invested in the property. Net Proceeds ("as defined above") and the Forgiven Ratio ("as defined above") are not applicable when there is a non-compliance.

Under recapture guidelines the Affordability Period is based upon the total amount of the direct homebuyer subsidy that the homebuyer received in HOME funds. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

Amount of Direct Homebuyer Subsidy	**Affordability Period**
Under $15,000	5 years
$15,000 to $40,000	10 years
Over $40,000	15 years

Part 4: CHDO

4.1 IHCDA CHDO Set-Aside

IHCDA must allocate 15% of its HOME funds for CHDO developments.

4.2 CHDO Eligible Activities

- For this round, single-family homebuyer housing is considered a CHDO-eligible activity for purposes of the CHDO set-aside as long as the activity takes place within the CHDO's state-certified service area and the CHDO must own, develop, or sponsor the activity.
    - HOME-assisted homebuyer's program: When the CHDO owns and develops new housing that will be constructed or if the CHDO is the current owner or will be acquiring existing housing that will be rehabilitated. As developer, the CHDO must arrange financing for the development and be in sole charge of construction.

4.3 CHDO Program Requirements

CHDOs must adhere to all HOME requirements listed in this Application Package and the additional CHDO specific program requirements:

- Applicants that would like to apply as a CHDO must apply for CHDO certification at the time of submitting a HOME application. The CHDO application can be found as a separate document on the IHCDA website here: http://www.in.gov/myihcda/2541.htm It must be submitted at the same time as submittal of the HOME application.
- Treatment of Program Income by a CHDO:
- CHDOs receiving loan repayments back from homebuyers during the affordability period may retain these funds. The funds must be utilized for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, if at any time during the affordability period, the CHDO becomes decertified or no longer has a mission of providing affordable housing then all CHDO proceeds must immediately be remitted to IHCDA. Please contact your Compliance Monitor for further assistance in this area. Additionally, funds recaptured because housing no longer meets affordability requirements are not considered CHDO proceeds and are subject to the requirements of 24 CFR 92.503(b) and must be returned to IHCDA.
- An application for a CHDO eligible undertaking must demonstrate the following:
    - Low- and moderate-income persons have had the opportunity to advise the CHDO in its decision regarding the design, site, development, and management of the affordable housing undertaking.
    - Certify that the organization continues to meet the definition of a CHDO by being a certified CHDO by IHCDA.
    - Complete the CHDO related sections in the HOME 2016 FY Application Forms.
- Homebuyer provision for CHDO-eligible activities: HOME funds may be provided as a homebuyer deferred payment or forgivable loan and must carry a 0% interest rate and the term must not exceed the affordability period. The Single Family proforma that is submitted to IHCDA at set-up must include:
    - The affordable payment (principal, interest, taxes, insurance, and utilities) must have a front-end ratio of 29% of gross income.
    - Applicants should not allow a mortgage payment that exceeds the back-end affordable payment ratio calculated at 41% of gross monthly income.

- If the activity is for new construction, at least $50 per month must be budgeted for property taxes, unless documentation is provided that indicates that taxes will be lower than this amount.
- Applicants must include a utility allowance between $125 and $200, unless documentation is provided that indicates utilities will be lower than this amount.
- Donations toward a home must be counted at 100% of the value; however, in the financial analysis 75% of this value must be counted toward either development and/or direct homebuyer subsidy. But if including a developer fee this is not eligible and 100% of the value must be counted.

4.4 CHDO Operating Supplement

CHDOs may apply for supplemental funds in the HOME 2016 FY Application Forms. A CHDO may not receive CHDO operating supplement funds in an amount to exceed $50,000 within one fiscal year

Eligible costs include:

- Staff Salary/Fringe
- Education/Training
- Travel
- Rent
- Utilities
- Communication Costs
- Taxes
- Insurance
- Equipment/Software
- Postage
- Accounting Services/Audit
- Professional Dues/Subscriptions
- Legal Fees
- Lead-Based Paint Equipment

4.5 CHDO Predevelopment and Seed Money Loans

CHDOs are eligible for development specific predevelopment or seed money loans. The CHDO must apply for the predevelopment or seed money through a separate application process. Please contact your Real Estate Production Analyst for more details.

Part 5: Subsidy Limitations & Eligible Activity Costs

5.1 Subsidy & Budget Limitations

The maximum request amount per application is $500,000 for homebuyer activities.

Subsidy Limitations

HOME funds used for acquisition, rehabilitation, new construction, program delivery, relocation, rent-up reserve, and developer's fee combined cannot exceed:

Bedroom Size	Per Unit Subsidy Limit
0	$57,000
1	$65,000
2	$79,000
3	$101,000
4+	$111,000

Minimum amount of HOME funds to be used for rehabilitation or new construction is $1,000 per unit.

Budget Limitations

HOME funds cannot be used for reserve accounts for replacement or operating costs, but may be used as a Rent-Up Reserve.

All subsidies must be secured throughout the affordability period by a written, legally binding, recorded restrictive covenant.

HOME funds budgeted for administration cannot exceed 5% of the HOME award.

HOME funds budgeted for developer's fee cannot exceed 15% of the HOME award.

HOME funds budgeted for administration, program delivery, environmental review, and developer's fee together cannot exceed 20% of the HOME award.

5.2 Form of Assistance

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

The applicant may then provide the HOME award as a forgivable, amortized, or deferred loan to as many other entities as they choose, known as subgrantees (beneficiaries if a homebuyer award). However, subgrantees must be identified in the application and approved by IHCDA.

A title company is required to be used for all loans that occur between the IHCDA recipient and the beneficiary or subgrantee of the program. For example, an IHCDA recipient providing funds for a homebuyer activity must use a title company when the loan is made to the homeowner. Another

example is when an IHCDA recipient is assisting a property that that it does not own. When the loan is made from the IHCDA recipient to the subgrantee, a title company must be used.

The IHCDA recipient must execute a promissory note, mortgage, lien and restrictive covenant agreement, security agreement, UCC Financing Statement(s), and other documents as directed by IHCDA in order to secure IHCDA's investment in the assisted property. The recipient is required to deliver these documents to the county recorder's office for recording. These documents will be reviewed during monitoring visits.
The homebuyer must execute a lien and restrictive covenant agreement and in accordance with CPD Notice 12-003, the recipient must execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.), and assists the recipient in enforcing those requirements.

5.3 Eligible Activity Costs

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

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

ACQUISITION – Limited to the purchase price and related costs associated with the acquisition of real property. Recipients must use a title company when purchasing or selling assisted properties.

DOWN PAYMENT ASSISTANCE – Down payment assistance may include closing costs, principal reduction, or interest rate buy-downs provided to program participants, or any assistance that reduces the purchase price from the fair market value to an affordable price.
NEW CONSTRUCTION – Eligible costs include:

- Hard costs associated with new construction activities;
- Utility connections including off-site connections from the property line to the adjacent street;
- Site work related to driveways, sidewalks, landscaping, etc.
- Related infrastructure costs - improvements to the development site that are in keeping with improvements of surrounding, standard developments. Site improvements may include on-site roads and water and sewer lines necessary to the development
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners

REHABILITATION – Eligible costs include:

- Hard costs associated with rehabilitation activities
- Lead-based paint interim controls and abatement costs.
- Mold remediation.
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served.

- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- Site work related to driveways, sidewalks, landscaping, etc.

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

PROGRAM DELIVERY - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed 20% of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Additionally, program delivery may be used to pay off a HOME CHDO Predevelopment or CHDO Seed Money loan but may not exceed the 20% line item cap.

Eligible costs include:

- Engineering/Architectural Plans
- Credit reports
- Financing costs
- Client in-take / Income verification
- Plans, specifications, work write-ups
- Title Searches
- Impact fees
- Inspections
- Cost estimates
- Building permits
- Recording fees
- Demolition permits
- Travel to and from the site
- Lead hazard testing
- Private lender origination fees
- Appraisals
- Consultant fees
- Realtor fees
- Utilities of assisted units
- Other professional services
- Builders risk insurance
- Phase I Environmental Assessments
- Closing costs paid on behalf of homebuyer
- Legal and accounting fees

RELOCATION - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, not-for-profit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCDA's Program Manual Chapter 4.

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

HOMEOWNERSHIP COUNSELING – Costs associated with formal training provided to prospective homebuyers. This item is limited to $1,000 per homebuyer. This line item applies to homebuyer developments only.

Eligible costs include:

- Course material development/costs
- Related travel
- Underwriting
- Professional services
- Intake
- Training location
- Credit reports
- Postage

- Income verification
- Loan processing
- Program management
- Marketing and advertising

DEVELOPER'S FEE – Developer's fees are only available with HOME funded activities and cannot exceed 15% of the HOME award. Additionally, the total of developer's fee, administration, program delivery, and environmental review cannot exceed 20% of the HOME request.

ADMINISTRATION - The administration line item includes those costs directly related to administering the IHCDA award and complying with the regulations associated with these funds. This line item cannot exceed 5% of the HOME request and generally is between $5,000 and $10,000. This line item along with Developer's Fee, program delivery, and environmental review cannot exceed 20% of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCDA are not eligible for reimbursement through a HOME award. This line item does not incur a match liability for HOME funds.

Eligible costs include:

- Affirmative marketing
- Fair housing education
- Postage
- Office materials and supplies
- Photocopying
- Office rent and utilities
- Travel related to the housing activity
- Communication costs
- Lead based paint training
- Staff time or professional services related to reporting, compliance, monitoring, or financial management
- Training related to the housing activity

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the NEPA compliance Environmental Review, which is a requirement of the Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the Program Delivery line item. This line item along with developer's fee, program delivery, and administration cannot exceed 20% of the HOME request. Eligible costs for this line item are generally between $2,000 and $5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCDA CDBG & HOME Program Manual.

5.4 Ineligible Activity Costs

- Commercial development costs - All costs associated with the construction or rehabilitation of space within a development that will be used for non-residential purposes such as offices or other commercial uses. This does not include the common area used by tenants of rental property or the leasing office of the apartment manager. HOME awards cannot be used to underwrite any portion of commercial development costs. The expenses incurred and income to be generated from commercial space must be reported in a separate "Annual Expense Information" sheet and 15-year proforma.
- Costs associated with preparing an application for funding through IHCDA.
- Purchase or installation of luxury items, such as swimming pools or hot tubs.

- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Cost of supportive services.
- General operating expenses or operating subsidies.
- Providing tenant based rental assistance.
- Mortgage default/delinquency correction or avoidance.
- Loan guarantees.
- Annual contributions for operation of public housing.
- Costs associated with any financial audit of the recipient.

5.5 Program Income

Income generated by CHDOs acting as owners, sponsors or developers of HOME units may be retained by the CHDOs but it must be used for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, funds recaptured because housing no longer meets affordability requirements are not considered CHDO proceeds and are subject to the requirements of 24 CFR 92.503(b) and must be returned to IHCDA.

Income generated by not-for-profits or for-profits, acting as developers of HOME units, may be retained by the developer and is not subject to HOME Program requirements.

Additionally, all legal documents, such as mortgages, security agreements, UCC financing statements, and liens executed by the IHCDA recipient, beneficiary, or subrecipient receiving assistance, must be recorded at the county recorder's office. These documents must be submitted to IHCDA at closeout along with the IHCDA recipient's completion reports and will be reviewed during monitoring visits conducted by IHCDA staff.

Part 6: Homebuyer Requirements

The purpose of this activity is to provide funding to improve the quality of housing stock while making it affordable for homebuyers. Funding is available for the acquisition, rehabilitation and new construction of housing that will be sold to income-eligible homebuyers.

6.1 Eligible Beneficiaries

Each household must have an annual income equal to or less than 80% of the area median family income (adjusted for household size) at the time the contract to purchase the home is signed. The Section 8 definition of household income applies. See Chapter 8 of the *CDBG and HOME Program Manual* for instructions on calculating and verifying household income. Households must also meet the definition of "low-income families" at 24 CFR 92.2 which limits occupancy based on certain student status rules (see Chapter 1 in the *CDBG and HOME Program Manual*).

To be eligible for homebuyer activities, the prospective purchaser beneficiary must be low-income and must occupy the property as a principal residence upon purchase.

The purchasing household must be low-income at either:

- In the case of a contract to purchase existing housing, at the time of purchase; or
- In the case of a contract to purchase housing to be constructed, at the time the contract is signed.

A household owns a property if that household:

- Has fee simple title to the property; or
- Maintains a 99-year leasehold interest in the property; or
- Owns a condominium; or
- Owns or has a membership in a cooperative or mutual housing development that constitutes homeownership under state law; or
- For manufactured housing, land must be owned by the manufactured housing owner or leased for a period at least equal to the duration of the affordability period; or
- Maintains an equivalent form of ownership approved by HUD.

Ownership does not include land contracts or contracts for deeds.

6.2 Affordability Periods and Resale/Recapture Requirements

All homebuyer developments are subject to an affordability period as defined in Part 3.4 of this document.

The recipient must implement resale or recapture provisions through a recorded lien and restrictive covenant agreement as described in Parts 3.5 and 3.6 of this document.

6.3 Homebuyer Provisions

- Recipients are required to identify and qualify homebuyers prior to acquiring and beginning construction on the HOME-assisted units; however, HOME-assisted units are not considered

completed until occupied by an income eligible homebuyer. Therefore, units that are not completed during the award timeframe may affect future funding decisions.

- Recipients will be required to provide an "after rehab" or "construction value" appraisal; whichever is appropriate, from a licensed appraiser for all property assisted with the award with the first draw that includes hard costs. If the applicant is acquiring property, an "as-is" appraisal is required with the first draw request for acquisition reimbursement. See IHCDA's Program Manual for details.
- Applicants also performing rehabilitation on the housing in this activity must purchase:
    - Homebuyer residential units,
    - Rental units that have been vacant for three or more months, or
    - Occupied rental units only if the current tenant will become the eventual homebuyer. See the IHCDA's Program Manual for further guidance.
- Subsidy analysis must be based on a borrower's payment for a minimum of a 20-year mortgage.
- Recipients are required to provide homeownership counseling to all program beneficiaries.
- The recipient may not charge servicing, origination, processing, inspection, or other fees for the costs of providing homeownership program assistance.
- If the not-for-profit applicant anticipates selling the HOME-assisted unit to a buyer that will utilize an FHA or VA insured mortgage, they may be required to first be approved by HUD to be a secondary lender. Information on how to become a HUD-approved lender can be obtained at HUD's website or by calling the HUD's Atlanta Homeownership Center toll free at (888) 696-4687 ext. 2055.
- According to 24 CFR 92.254(a)(2) in the case of acquisition of newly constructed housing or standard housing, the property must have a purchase price that does not exceed the FHA 203(b) mortgage limits. In the case of acquisition with rehabilitation, the property must have an estimated value after rehabilitation that does not exceed the FHA 203(b) mortgage limits. The HOME-assisted housing unit must be occupied as the homebuyer's principal residence throughout the affordability period.
- Homebuyer units that are multi-family (four or less units) must meet all program requirements. The owner must be income qualified (income from the rental units must be included). The occupants of the rental units must also be income qualified and impose all rental requirements.
- Any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within nine months of completion of construction or rehabilitation (meaning all necessary title transfer requirements and construction work has been performed and the housing unit complies with the property standards as evidenced by a final inspection) must be converted to a HOME-assisted rental unit subject to all compliance requirements of HOME-assisted rental housing in accordance with 24 CFR 92.252
- All homebuyer units must meet the "visitability" standard (see below). In addition, all units shall be made accessible upon the request of the prospective buyer.
    - Visitability is defined as design concepts that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. There are three specific design elements that must be incorporated to satisfy the visitability mandate:
        - Each unit must contain at least one zero-step entrance on an accessible route. This can be any entrance to the unit;
        - All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width; and

- Each unit must contain at least one half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11.

Part 7: Completeness & Threshold Requirements

Each proposed development must satisfy the Federal requirements of the HOME program and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

7.1 Completeness Requirements

- Timeliness – All documentation must be turned in by the application due date.
    - On or before the application deadline, the applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HOME Application Form.
    - If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
    - Any forms that are late will be denied review and will be sent back to the applicant.
- Responsiveness – All questions must be answered and all supporting documentation must be provided.
    - The applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HOME Application Forms.
    - The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
    - Required signatures must be originally signed.

7.2 Threshold Requirements

Threshold Checklist:	
All documentation must be issued/ dated within six months of the Application deadline.	
Threshold Item:	**Tab:**
Application Forms:	
Turn in the 2016 HOME Application and supporting documents via the FTP site and send one original copy of the signed Application Forms to IHCDA in a complete and timely fashion. **When uploading files to the FTP site, please be sure to upload them into their appropriate file tab, and indicate the file name (e.g. Tab A- Notifications).**	
Complete Application Cover Page Tab in Application Forms:	
If the box for Administrator was selected on Application Cover Page of the Application Forms, please submit documentation that proves that the Administrator has been properly procured using the Competitive Negotiation (RFP) Procedure.	Tab B: Federal
Complete Application Summary Tab in Application Forms:	
Provide proof of System for Award Management (SAM) registration. https://www.sam.gov/portal/SAM/#1.	Tab A: Notifications
Provide the most recent copy of audited financial statements.	Tab O: Capacity
Submit a letter from the highest locally elected official.	Tab A: Notifications

If a not-for-profit organization, submit IRS determination letter.	Tab C: Not-For-Profit
If a not-for-profit organization, provide proof the organization is in good standing. Submit a copy of the Certificate of Existence from the Indiana Secretary of State that is no more than six months old.	Tab C: Not-For-Profit
If the applicant is different from the owner of the development, provide a letter from the owner authorizing the applicant to apply for funding for the owner's property.	Tab A: Notifications
If development received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development Office and provide proof of sending.	Tab A: Notifications
Submit a clear, colored, site map.	Tab E: Site
Submit clear, colored, site photos including views from all cardinal directions.	Tab E: Site
All homebuyers must be identified prior to application. Submit Tab F: Client Intake Form Please note, any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within nine months of completion of construction or rehabilitation (meaning all necessary title transfer requirements and construction work has been performed and the housing unit complies with the property standards as evidenced by a final inspection) must be converted to a HOME-assisted rental unit subject to all compliance requirements of HOME-assisted rental housing.	Tab D: Readiness
Title Search- Submit evidence of clear title with a title insurance commitment, title search documentation, or an attorney's opinion letter.	Tab D: Readiness
Zoning Approval – Provide a letter no older than 6 months from the local planning official that certifies the current zoning allows for construction and operation of the proposed homes and any required variances that have been approved.	Tab D: Readiness
Site Control - Provide Purchase Option or Purchase Agreement that is no older than 6 months and that has an expiration date at least 3 months after the HOME application due date.	Tab D: Readiness
Environmental Review: i. Submit Completed Environmental Review Forms. Instructions and forms can be found in Chapter 11 of the IHCDA CDBG & HOME Program Manual, found here: ii. A FIRM floodplain map must be submitted with each parcel identified on the map. (Any property located in any variation of zone "A" on the map is ineligible for funding).	Tab F: Environmental
Commit to assisting households at or below 80% of the area median income for the county.	
Development requesting a Development Fund loan must designate at least 50% of the Development Fund assisted units for households at or below 50% AMI, and the remaining Development Fund assisted units must be designated for households at or below 80% AMI.	
Affirmative Fair Marketing Plan- In accordance with 24 CFR 200.620 and 24 CFR 92.351 (a), the Recipient must adopt an Affirmative Fair Housing Marketing Plan for rental and homebuyer developments containing five or more HOME assisted housing units. Provide form- HUD 935.2A.	Tab B: Federal
Complete Narrative Tab in the Application Forms:	

Project Narrative- answer the questions describing your development.	
Complete Market Tab in the Application Forms:	
Market Need- HUD requires that IHCDA certify that there is adequate need for each home based on the neighborhood's housing market. In order to help make this determination please answer all of the questions in the Market tab in the 2016 HOME application. Attach any relevant support material such as planning documents and maps.	Tab G: Market
Complete Sources & Uses tab in the Application Forms	
All other development funding must be committed prior to submitting an application for HOME funding to IHCDA. Please complete the Sources and Uses tab in the Application Forms.	
Complete Homebuyer Proforma tab in the 2016 IHCDA HOME Homebuyer Application Forms.	
Submit all Signed letters of commitment with funding terms and amounts.	Tab H: Match/Leverage
Submit any supporting documentation for in-kind donations to demonstrate value.	Tab H: Match/Leverage
Complete Budget Tab in Application Forms:	
Cost Estimates- Provide a copy of detailed cost estimates.	Tab D: Readiness
Complete Match Tab in Application Forms:	
The match requirement for the HOME rental and HOME homebuyer programs is 25% of the total amount of HOME funds requested minus administration costs and environmental review costs. Match must be committed prior to submitting an application for HOME funding to IHCDA. Submit the relevant sections of the Leverage Spreadsheet.	Tab H: Match/Leverage
Submit Match Letters of Commitment and supporting documentation.	Tab H: Match/Leverage
If CHDO, Complete CHDO Tabs in Application Forms	
Complete the CHDO Application Forms.	
If applying for a CHDO Operating Supplement, fill out Section G of the Application Cover Page and the CHDO Operating Supplement tab in the Application Forms.	
Visitability	
All homebuyer units must meet the "visitability" standard (see below). In addition, all units shall be made accessible upon the request of the prospective buyer. There are three specific design elements that must be incorporated to satisfy the visitability mandate: • Each unit must contain at least one zero-step entrance on an accessible route. This can be any entrance to the unit; • All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width; • Each unit must contain at least one half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11.	
Universal Design Features	

Applicants must adopt a **minimum of two** universal design features from **each** universal design column below. Features found in Column A are regarded as being of high cost and/or high burden of inclusion to the development. Features found in Column B are regarded as being of moderate cost and/or moderate burden of inclusion to the development. Features found in Column C are regarded as being of low cost and/or low burden of inclusion to the development. By columnizing such features, IHCDA encourages applicants to diversify their universal design portfolio to the greatest extent possible.	Tab I: Universal Design Features

Universal Design Features		
Column A	**Column B**	**Column C**
Front loading washer and dryer with front controls, raised on platforms or drawers in each unit or all laundry facilities	At least one entrance to the ground floor of a unit shall be on a circulation path from a public street or sidewalk, a dwelling unit driveway, or a garage. That circulation path shall be a ramp or sloped walking surface. Changes in elevation shall not exceed ½" (All one & two family dwellings only)	Audible and visible smoke detectors in each unit
Walk-in Bathtub or shower with a folding or permanent seat (Senior Living Facilities 10% of the units, and 5% of the units for non-senior)	In kitchens, provide pull out shelves or Lazy Susan storage systems in base corners cabinets	Light switches located 48" maximum above the finished floor in each unit
Range/oven with controls located to not require reaching over burners in 10% of the units	All interior doors shall have a minimum clear width opening of 31-3/4"	Lighting controls are rocker, or touch sensitive control
Wall oven with 27" minimum knee clearance under the door in the open position and controls 48" maximum above the floor in 10% of the units	Adjustable height shelves in kitchen wall cabinets in each unit	Over bathroom lavatories, mirrors with the bottom edge of the reflecting surface 40 inches maximum above the floor or a tilt mirror that provides a similar view in each unit
Toilets that meet the provisions for location, clearance, height	Where provided, telephone entry systems shall comply with	Lever handle faucets on lavatories and sinks in each unit

and grab bars in 2009 ICC A117.1 Section 604.5 in one bathroom in each unit	ANSI.SASMA 303.-2006, Performance Criteria for Accessible Communication Entry Systems	
Provide an accessible route from the garage into the dwelling in 10% of the units with attached private garages	Provide one of the following in one bathroom within each unit: 1. Adjustable height shower head that allows for a shower head to be located below 48” above the tub or shower floor; or 2. Hand-held showerhead with a flexible hose 59” minimum in length	Full length mirrors with the bottom of the reflecting surface lower than 36” and top to be at least 72” above the floor in each unit
Detectable Warnings at curb cuts throughout the development in accordance with 2009 ICC A117.1 Sections 406.13 and 705	Remote control heating and cooling in each unit	Where provided, signage identifying unit numbers shall be visual characters, raised characters and braille
Side by side refrigerators in each unit	In the kitchen, provide a 30” x 48” clear floor space adjacent to the sink, dishwasher, cooktop, oven, refrigerator/freezer and trash compactor	Where room lighting is provided, provide remote controls or motion sensor controls
Where private garages are provided, automatic garage door openers on the garage doors	At least one section of the counter or a pull out surface shall provide a work surface with knee and toe clearances in accordance with ICC A117.1 Section 1003.12.3	Bathtub/shower controls located 48” maximum above the tub floor in each unit
Provide in the kitchen a sink and a work surface in accordance with ICC A117.1 Sections 1003.12.3.2 and 1003.12.4.2 in 10% of the units	Built in microwave with an adjacent clear floor space and controls located 48” maximum above the floor in each of the units	Pulls on drawers & cabinets in each unit
Provide Motion detector controls for the outside lights at least on entrance in each unit	For kitchen and bathroom countertops, provide a visual contrast at the front edge of the counter or between the counter and the cabinet in all units	At least one garden area raised to a minimum of 15” above the adjacent grade
A removable base cabinet in kitchens at the sink and one work surface and at the lavatory in at least one bathroom in accordance with ICC A117.1 Sections 1003.12.3.1, 1003.12.4.1 and 1003.11.2 in all bottom level	Provide a 30” x 48” clear floor space in each bathroom. Where bathroom doors swing in, the clear floor space must be beyond the swing of the door	Provide 10 fc lighting for at least one work surface in each unit

units		
In kitchens, provide pull out shelving for all standard base cabinets in each unit	All hallways 42” or wider in each unit	Controls for bathtubs or showers located between the centerline of the bathtub or shower stall and the front edge of the opening in at least one bathroom in each unit
Provide a roll-in shower in at least one bathroom in accordance with ICC A117.1 Section 608.2.2 or 608.2.3 in each unit	All wall reinforcements for a second handrail at stairways in each unit	All closet rods adjustable or provide a portion of each closet with two clothes rods at different heights in each unit
In 10% of the units, provide cook top with toe & knee clearance underneath in accordance with ICC A117.1 Section 1003.12.5.4.2. The underside of the cook top shall be insulated or otherwise configured to protect from burns, abrasions or electric shock	Where walls are provided adjacent to toilets, bathtubs or showers, provide blocking for a future installation of grab bars in accordance with ICC A117.1 Section 1004.11.1	Slide or bi-folding closet doors for reach-in closets in all units
Dishwasher unit with all operable parts and shelving between 15” and 48” above the flooring 10% of the units	All doors intended for user passage shall have a minimum clear width opening of 31-3/4”	Levers hardware doors intended for user passage in each unit
A fixed or fold down seat in the shower or a bathtub with a seat in at least one bathroom of 10% of the units	Kitchen Faucet with pull out spout in lieu of side mount sprayer in each unit	Electric outlets raised 15” minimum above the finished floor in each unit. Dedicated outlets and floor outlets are not required to comply with this section
Grab bars in bathroom and shower in 10% of the units (1st bathroom only for two bathroom units)	Provide a means of identifying visitors without opening the door in accordance with ICC A117.1 Section 1006.5.2	Provide a lighted doorbell at the outside of the primary entrance door to each unit in accordance with ICC A117.1 Section 1006.5.1
Remote controlled drape, blinds and/or curtains in 5% of the units	Significant color contrast between floor surfaces and trim in each unit	Countertop lavatories with lavatories located as close to the front edge as possible in 10% of the units
Carpet complying with ICC A117.1 Section 302.2 or slip resistant flooring	Visual contrast between stair risers and stair treads in each unit that contains stairways	Self-closing drawers on kitchen cabinets
		Mailboxes located between

		24”-48” above the ground

Part 8: Scoring

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

Scoring Category	Points Possible
Project Characteristics	24
Development Features	28
Readiness	10
Capacity	27
Financing	12
Unique Features & Bonus	10
Total Possible Points	**111**

When there is a scoring criteria based on the county being served and there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number. An application must score at least 75 points to be considered for funding.

8.1 Project Characteristics — Category Maximum Points Possible: 24

This scoring category describes the proposed development. Points can be achieved through the following sub-categories: Comprehensive Community Development, Opportunity Index, and Services.

1) *Comprehensive Community Development* — *Maximum Number of Points: 5*

Developments with a Comprehensive Community Development focus are a part of a broader, more comprehensive approach to area improvement. These developments have the capability of contributing to fundamental changes in the character of a targeted area. Only one plan will be considered for points unless the development spans multiple communities. In such cases, each community in which a unit is located must have a plan that satisfies all requirements. Stellar Community Strategic Investment Plans will not count for points.

In order to receive points under the Comprehensive Community Development scoring sub-category the applicant must submit a copy of the entire plan in *Tab J: Plan*. **The plan must meet all of the following criteria:**

- Specific reference to the creation of or need for affordable housing;
- The plan must be no older than 15 years;
- Public participation and narrative about efforts leading to the creation of the plan;
- A target area that includes the proposed home sites; and
    - Submit a scaled map that includes the development area boundaries and the specific site(s) with a map key labeling the site address(es). Clearly label the boundaries and indicate the size of the target area. Attach in *Tab J: Plan*.
- Adoption by highest local unit of government
    - Submit a copy of the resolution by the highest local unit of government adopting the plan. Attach in *Tab J: Plan*.

2) *Opportunity Index* *Maximum Number of Points: 10*
Applicants may earn up to 10 points (with 2 points for each feature) for homes located within areas of opportunity.

- Walk Score (2 points): Points will be awarded to homes with a Walk Score of at least 50. Find the Walk Score for the site by visiting Walk Score and typing in the home address. For scattered site developments, take the average of all address scores.

  In order to receive points in this subcategory, *the applicant must submit in Tab K: Opportunity Index*:
  - Printout of the Walk Score webpage that includes the home address and Walk Score value.

- Quality Education (2 points): Points will be awarded to applicants with homes assigned to at least one K-12 school (including charter schools) that, at the time of IHCDA application review, have a rating of "A", "exemplary", or equivalent according to the most recent accounting from the Indiana Department of Education (http://www.doe.in.gov/accountability/find-school-and-corporation-data-reports). For scattered site developments, at least 50% of the proposed homes must meet this requirement to be eligible for points.

a. Public Transportation (2 points): Points will be awarded to applicants proposing homes located within a half-mile of a public transit station or bus stop. For scattered site developments, at least 50% of the proposed homes must meet this requirement to be eligible for points.

   In order to receive points for this scoring subcategory, the applicant must submit a map in *Tab K: Opportunity Index* including:
   - Specific home locations;
   - Transit station or bus stop location; and
   - A half-mile radius drawn from the development location.

b. Fresh Produce (2 points): Points will be awarded to applicants proposing homes located within a half-mile of a store with fresh produce, such as a supermarket, grocery store, or a farmer's market. For scattered site developments, at least 50% of the proposed homes must meet this requirement to be eligible for points.

   Stores with fresh produce must be:
   - Currently established
   - Have a physical location
   - Have regular business hours (farmers market must be open at least 5 months of the year)

   For the purposes of this scoring subcategory, gas stations, convenience stores, and drug stores do not qualify.

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

- Specific home locations;
- Store or market location; and
- A half-mile radius drawn from the home locations.

c. Health Factors (2 points): Points will be awarded to applicants proposing homes located within a county ranked from 1-23 in the most recent Overall Rankings in Health Factors (http://www.countyhealthrankings.org/app/indiana/2015/overview). For scattered site developments located in multiple counties, at least 50% of the proposed homes must meet this requirement to be eligible for points.

d. Unemployment Rate (2 points): Points will be awarded to applicants proposing homes located within a county that has an unemployment rate below the state average. (http://opportunityindex.org/). For scattered site developments located in multiple counties, at least 50% of the proposed homes must meet this requirement to be eligible for points.

e. Poverty Rate (2 points): Points will be awarded to applicants proposing homes located within a county that has a poverty rate below the state average (http://opportunityindex.org/). For scattered site developments located in multiple counties, at least 50% of the proposed homes must meet this requirement to be eligible for points.

f. Median Household Income (2 points): Points will be awarded to applicants proposing homes located within a county that has a median household income above the state average (http://opportunityindex.org/). For scattered site developments located in multiple counties, at least 50% of the proposed homes must meet this requirement to be eligible for points.

3) *Services* *Maximum Number of Points: 9*

Points will be awarded to applicants whose developments contribute to the overall quality of life for the beneficiaries of the proposed development. Points will be awarded based on the chart below.

Level of Services	Points Possible
Level 1 Services: Up to three services at one point each.	3
Level 2 Services: Up to three services at two points each.	6
Level 3 Services: Up to four services at three points each.	9

In order to receive points for this scoring category, the applicant must submit in Tab L:
For Homebuyer developments:

- **One** Form A: One Homeowner Investment Plan Matrix listing all services for the entire proposed development (found in the HOME Application Appendices);
- Form B: Homeowner Investment Plan Service Agreement for **each** service provider with original or a copy of original signatures (found in the HOME Application Appendices);

8.2 Development Features **Category Maximum Points Possible: 23**

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

1) *Existing Structures* *Maximum Number of Points: 5*

Points will be awarded to developments that utilize existing structures on at least 50% of the HOME assisted units. This may include properties in which an original substandard unit will be demolished and replaced with a comparable unit. Per the federal regulations, when replacing existing affordable housing, the number of replacement units must be one-for-one.

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

- Photographs of the home to be rehabilitated

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

2) *Historic Preservation* *Maximum Number of Points: 2*

Points will be awarded to an applicant that proposes rehabilitation of a historic home.

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

- Either a letter or report from the National Park Services, or Department of Natural Resources Division of Historic Preservation and Archaeology that specifically identifies the site as a historic resource or contributing to a district; **OR**
- A photocopied page from the most recent county Indiana Sites and Structures Interim Historic Report showing the structure is Contributing, Notable, or Outstanding in the County's Interim Report.

3) *Infill New Construction* *Maximum Number of Points: 5*

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

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

- Existing agricultural land; or
- Land where agriculture was the last use and it was within the last 10 years except within corporate limits; or
- Undeveloped Master Planned Communities; or
- Existing structures that will be rehabilitated

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

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

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

4) *Provision of Additional Bedrooms* *Maximum Number of Points: 3*

Points will be awarded to developments where at least 20% of the proposed homes are three or more bedrooms.

In order to receive points, the applicant must submit in *Tab D: Readiness*:

- Preliminary floor plans that clearly identify the units with three or more bedrooms.

5) *Design Features* *Maximum Number of Points: 3*

Points will be awarded for each Design Feature chosen, for a maximum of three points in this category.

Design Feature	Point
Exterior walls are at least 50% durable material (brick, stone, or cement board).	1
Roofing system has at least a 30-year warranty.	1
Porch with a minimum of 48 square feet with a roof that is permanently attached to the residence.	1
Deck or patio with a minimum of 64 square feet that is made of wood or other approved materials.	1
Framing consists of 2” X 6” studs to allow for higher R-Value insulation in walls.	1
Garage with a minimum of 200 square feet that is made of approved materials, has a roof, is enclosed on all sides and has at least one door for vehicle access.	1
Crawl space or basement.	1
Security system.	1
Carport with a minimum of 200 square feet that is made of approved materials, has a roof, and is open on at least two sides.	1
Attached or unattached storage space measuring at least 5' x 6'.	1

6) *Universal Design Features* *Maximum Number of Points: 5*

Up to 5 points will be awarded for applicants that propose developments that go beyond the minimum threshold requirement for universal design features. The applicant will be awarded points as follows:

- 3 points will be awarded to applicants proposing to adopt a minimum of 3 universal design features from each universal design column.
- 4 points will be awarded to applicants proposing to adopt a minimum of 4 universal design features from each universal design column.

- 5 points will be awarded to applicants proposing to adopt a minimum of 8 universal design features from each universal design column.

Please refer to the universal design features chart in the threshold section of this policy.

7) *Green Building* *Maximum Number of Points: 5*
Up to five points will be awarded for the green building techniques listed below. The signed application forms will be proof of these commitments.

Green Building Technique	Point
Orient structures on East/West axis for solar exposure	1
Include new trees in landscaping to curb winter winds and provide shade	1
Low VOC paints and finish materials	1
Install flow reducers in faucets and showers	1
Incorporate permeable paving	1
Minimize the disruption of existing plants and trees	1
Include recycling bins in the kitchen	1
Install recycled content flooring and underlayment	1
Install a light colored roofing material	1
Low flow toilets	1
Dual flush toilets	1
R-Value insulation exceeding Indiana State Building Code	1

8.3 Readiness **Category Maximum Points Possible: 10**

This category describes the applicant's ability to begin and timely execute an awarded development.

1) *Predevelopment Activities* *Maximum Number of Points: 7*
Points will be awarded to applicants that have completed some predevelopment activities according to the chart below. Up to seven activities are eligible for up to seven points. Points will only be awarded if the required supporting documentation, italicized below the activity description, are included in Tab D: Readiness.

Predevelopment Activity Completed	Points
Asbestos Testing *Submit a copy of the assessment report.*	1
Lead Testing *Submit a copy of the assessment report.*	1
Appraisal *Provide an appraisal that is no older than 6 months.*	1
Preliminary Plans *Provide electronic copies of architectural and/or engineering plans.*	1
Property Survey *Provide an electronic copy of the property survey.*	1
Capital Needs Assessment/Structural Needs Report *Provide a copy of the report performed by a licensed professional.*	1

2) *Contractor Solicitation* *Maximum Number of Points: 3*

Points will be awarded to applicants who invite material participation of a state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and Service Disabled Veteran Owned Small Business (SDVOSB). Examples of material participation include property management, professional services, consultant, application preparer, administrator, etc.

In order to receive points, the applicant must submit in Tab N:Contractor Solicitation:

- *A copy of letter inviting the state certified contractor to participate in the bidding of the development;*
- *Evidence of received receipt of invitation by the state certified contractor;*
- *A copy of the applicable and current state certification or a print out from the State's certification list clearly indicating the entity and when the document was printed*

Minority Business Enterprise and Women Business Enterprise, including DMBE (Disadvantaged Minority Business Enterprise), and (Disadvantaged Woman Business Enterprise) and DMWBE (Disadvantaged Minority Woman Business Enterprise), means as an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more persons who are: (a) United States Citizens and (b) 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.

DBEs are for-profit small business owned or controlled by 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 maintains the Department of Veterans Affairs (VA) database of service-disabled veteran owned small businesses (SDVOSB) and veteran-owned small businesses (VOSB) called the Vendor Information Pages (VIP). The VIP database is accessed via www.VetBiz.gov. CVE performs the verification process for small businesses that self-represent themselves as veteran owned and controlled called the VA VOSB Verification Program.

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://imsdc.org
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2576.htm

VOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/
SDVOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/

8.4 Capacity **Category Maximum Points Possible: 27**

This category evaluates the applicant's ability to successfully carry out the proposed development based on trainings, certifications and/or experience in housing or community development.

1) *Certification* *Maximum Number of Points: 5*

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

Attach copies of the certification completion in Tab O: Capacity.

Certification	Sponsoring Organization
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis / Indiana Housing and Community Development Authority
Grant Administration Certification	Indiana Housing and Community Development Authority (IHCDA)
Certified HOME Program Specialist	HUD/CPD
Housing Development Finance Professional	National Development Council (NDC)
Project Development Training	Indiana Association for Community and Economic Development (IACED)

2) *Overall IHCDA Award Performance of the Applicant* *Maximum Number of Points: 10*

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

Description of Overall Award Performance	Points
Applicant's most recently monitored HOME award had no findings and no concerns.	10
Applicant's most recently monitored HOME award had no findings, but concerns were noted.	8
Applicant's most recently monitored HOME award had only one finding.	6

OR No HOME experience, but **Applicant's** most recently monitored IHCDA award (different activity) had no findings and no concerns.	
No HOME experience, but **Applicant's** most recently monitored IHCDA award (different activity) had no findings, but concerns were noted.	4
No HOME experience, but **Applicant's** most recently monitored IHCDA award (different activity) had only one finding.	2
Does not meet any category above. Examples: • More than one finding on most recently monitored award. • Applicant has no experience with IHCDA within the past five years.	0

3) *Timely Expenditure of Funds* *Maximum Number of Points: 5*
Points will be awarded to applicants that expend their **most recent** IHCDA HOME or IHCDA CDBG award funds by the award expiration date without requesting award extensions. The award must be from within the past five years. Please list the award number in the application forms.

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

4) *IHCDA Award Inspection Performance of the Applicant* *Maximum Number of Points: 2*
Applicants with an IHCDA award inspected within the past five years may be eligible for points based on the applicant's IHCDA inspection results. Points will be awarded if zero building code issues were noted on the applicant's last monitored award.

5) *Administrator or Subrecipient Experience* *Maximum Number of Points: 5*
Only applicants that have properly procured an administrator or subrecipient with previous IHCDA HOME experience may receive points in this category. Five points will be awarded if the administrator or subrecipient has successful experience administering an IHCDA HOME award that has been monitored within the past five years. In order to qualify for points, the most recently monitored award must not have had any findings. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Experience	Points

Administrator or subrecipient's most recently monitored HOME award had no findings.	5 points

8.5 Financing **Category Maximum Points Possible: 12**

1) *Public Participation Funding* *Maximum Number of Points: 6*

Points will be awarded to applicants whose proposed development has received a firm commitment of other public funds. A "firm commitment" means that the funding does not require any further approvals. "Public funds" include federal, state, or local government funds. This can include funds awarded from other federal or state agencies, the Federal Home Loan Bank**,** or waivers resulting in quantifiable cost savings that are not required by federal or state law. Banked match is an allowable source of match for the proposed development, however, banked match is not allowed as a source to count for points in this scoring category.

Points will be awarded based on the amount of public participation funding divided by the total development costs:

% of Public Participation Funding	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	4
4.00% to 4.99%	5
Greater than 5.00%	6

In order to qualify for points in this category the applicant must submit in Tab H: Match/Leverage a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed development and (b) the amount of funding.

2) *Non-Public Participation Funding* *Maximum Number of Points: 6*

Points will be awarded to applicants whose proposed development has received a firm commitment to leverage other funding sources. A "firm commitment" means that the funding does not require any further approvals. "Other funding sources" include (but are not limited to) private funding, funds from a local community foundation, donations, etc. Banked match is an allowable source of match for the proposed development, however banked match is not allowed as a source to count for points in this scoring category.

Points will be awarded based on the amount of other funding sources leveraged divided by total development costs:

% of Non-Public	Point(s)

Funding	
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	4
4.00% to 4.99%	5
Greater than 5.00%	6

In order to qualify for points in this category the applicant must submit in Tab H: Match/Leverage a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed development and (b) the amount of funding.

8.6 Unique Features & Bonus **Category Maximum Points Possible: 10**

1) *Unique Features* *Maximum Number of Points: 5*

Points will be awarded to applicants that offer unique features that contribute to each of the beneficiary units of the proposed development. Unique features should be a creative addition to the proposed program. They should enhance the overall character of the proposed development, improve the homeowners' and the community's quality of life, health, and/or safety. Unique features can be included in the financial structure of the development, involve members of the community, include items specific to the target area/development location or could include special services offered to the population served.

Points are awarded relative to other developments being scored during each application cycle and are awarded in IHCDA's sole and absolute discretion. The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of 5 points.

% of Applications	5%	8%	12%	16%	18%	16%	12%	8%	5%
Points	5	4.5	4	3.5	3	2.5	2	1.5	1

In order to receive points in this category, the applicant must submit in Tab Q a narrative summary of the proposed unique features. Features receiving points in other sections of this application will not be considered for Unique Feature points.

2) *Bonus* *Maximum Points Possible: 5*

The applicant will receive five bonus points for answering all questions and turning in all required supporting threshold and scoring documentation

Part 9: Glossary of Terms

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

Administrator: A procured entity that will assist carrying out the HOME award.

Aging in Place: - Aging in Place (AIP) refers to adapting our collective living environment so it is safer, more comfortable, and increases the likelihood a person can live independently and remain at home as circumstances change. Primary target populations for aging in place strategies are seniors, families with seniors, and persons with disabilities.

Beneficiary: The household or unit that received homeowner repair work as a result of the HOME award.

CHDO: A Community Housing Development Organization. A non-profit, community- based organization with the capacity to develop affordable housing for the community it serves, as defined in the HOME rule and as certified by IHCDA. Participating Jurisdictions (IHCDA) must set aside a minimum of 15% of their HOME allocations for activities in which CHDOs are the owners, developers, and/or sponsors of the housing.

Comprehensive Community Development: Every community strives to be a place where people choose to live, work, and play. Comprehensive development means that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because of the unique synergy they generate. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. Comprehensive development marshals resources and deploys coordinated strategies in a concentrated area to create opportunities for others in the community to take prudent risks and reap the rewards. The demolition of blighted structures, the rehabilitation of long-vacant housing and the creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: Elderly can have one of two definitions as elected by the applicant:

- A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older. For housing using this definition of elderly, at least 80% of the units must be age restricted; OR

- A person 62 years of age or older. This target population only includes households in which all household members are 62 years of age or older. For housing using this definition of elderly, 100% of the units must be age restricted.

HOME: The Home Investment Partnerships Program as created by the National Affordable Housing Act of 1990.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for developments giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Large City: For purposes of this policy, a large city is defined as a city with a population of 75,000 or more. To qualify as being located within a large city, the development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

Median Income: A determination made through statistical methods establishing a middle point for determining income limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a document describing a bilateral or multilateral agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the development.

Project: The HOME activity proposed in the application.

Referral Agreement: An agreement in which the recipient and a qualified organization enter into an agreement in which the recipient agrees to (a) set aside a number of units at the development for a special needs population and (b) notify the qualified organization when vacancies occur, and in which the qualified organization agrees to (a) refer qualified households to the development and (b) notify clients of vacancies at the development.

Rural: A development is considered to be rural if it meets one of the following criteria:

a. The development is located within the corporate limits of a city or town with a population of 14,999 or less; or

b. The development is located in an unincorporated area of a county that does not contain a city or town that meets the definition of large city or small city as set forth in this glossary; or

c. The development is located in an unincorporated area of a county whereas;

i. The development is outside the 2-mile jurisdiction of either a large city or small city as defined in this glossary; 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 this glossary.

Small City: For purposes of this policy, a small city is defined as a city with a population of between 15,000 and 74,999. To qualify as being located within a small city, the development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

Visitability: Visitability is defined as design concepts that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. There are three (3) specific design elements that must be incorporated to satisfy the visitability mandate:

- Each unit must contain at least one (1) zero-step entrance on an accessible route. This can be any entrance to the unit;
- All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width; and
- Each unit must contain at least one (1) half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11.

SP-90 Program Specific Requirement Resale and Recapture Guidelines

Homebuyer Resale Provisions

When a homebuyer property is constructed, redeveloped, rehabilitated, or acquired, in whole or in part, with HOME funds and the HOME funds are provided to the homebuyer property in the form of a development subsidy and there is no direct homebuyer subsidy the recipient must implement resale requirements. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase ("direct homebuyer subsidy"). The development subsidy consists of the difference between the cost of producing the unit and the market value of the property.

There are two different consequences that may be associated with a resale provisions (1) the resale provision can be triggered and its requirements must be met (as described below) or (2) an event of non-compliance can occur (as described further below).

The resale provisions are triggered if any of the following occur during the Affordability Period:

(1) the homebuyer transfers or conveys the property by deed, land contract, or otherwise;

(2) foreclosure proceedings are commenced against the property;

(3) the property is transferred by an instrument in lieu of foreclosure; or

(4) the title to the property is transferred from the homebuyer through any other involuntary means.

The resale provision requires that the property: (1) must be resold to another individual or family, whose income is at or below eighty percent (80%) of the area median income and (2) must be occupied by that individual or family as its primary residence for the remainder of the Affordability Period; and (3) must be resold at a price that is affordable, therefore a family between fifty percent (50%) and eighty percent (80%) of AMI would not pay more than twenty-nine percent (29%) of its gross income towards the principal, interest, taxes and insurance for the Real Estate on a monthly basis ("Affordable Price");; and (4) must be affordable for a reasonable range of low income families between fifty percent (50%) and eighty percent (80%) of the median area income for the geographic area published annually by HUD. The homebuyer is entitled to a fair return on its investment (as described below) upon the sale of the property. The fair return will be based on the percentage change in the Consumer Price Index for All Urban Consumers Owners' Equivalent Rent of Primary Residence category in Table I of the CPI Detailed Report (the "CPI Index") during the period of the homebuyer's ownership of the property. Accordingly, the CPI Index during the month the residence was completed (the month during which the completion reports were received by and approved by IHCDA) will be compared to the CPI Index during the month the homebuyer sells the residence to determine the percentage of

the return. This percentage will be multiplied by the homebuyer's investment. Here is an example:

Original sales price=$100,000
initial homebuyer investment=$5,000
capital investment=$9,000
Percentage change in CPI=3.5%

($5,000 + $9,000) x 3.5%= $490 fair return
$5,000 + $9,000 + $490=$14,490 total return to original homebuyer at sale

$100,000 + $14,490= maximum allowable subsequent sales price.

The homebuyer's investment will include any down payment, plus any capital improvements. A capital improvement is any property enhancement that increases the overall value of the property, adapts it to new uses, or extends its life such as: adding windows, insulation, a new drive way, a new furnace, a garage, bedroom, new roof, remodeling kitchen, etc. Any capital improvement will be valued based on actual cost as documented by the homebuyer's receipts. Generally, replacing worn or dated components such as appliances or carpet would not be considered an improvement that adds value or adapts it to new uses. In certain circumstances, such as a declining housing market where home values are depreciating, the homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price and a loss on investment may constitute a fair return.

IHCDA will provide HOME assistance to the subsequent homebuyer to ensure that the original homebuyer received a fair return and that the unit is affordable to the defined low-income population.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property. In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Resale Agreement.

Non-compliance. Non-compliance occurs during the Affordability Period when an owner (1) vacates the unit or rents the unit to another household, (2) sells the unit to a buyer that is not income-eligible, (3) sells the unit to a buyer that will not agree to use the property as its principle residence for the remainder of the Affordability Period (will not sign a lien and restrictive covenant agreement), or (4) does not sell it to the buyer at a reasonable price. In the event of noncompliance, the recipient must repay the entire amount of HOME funds invested in the housing.

Under resale guidelines the Affordability Period is based upon the total amount of HOME funds invested into the property.

Total Amount of HOME Funds Invested into the Property	Affordability Period
Under $15,000	5 years
$15,000 to $40,000	10 years
Over $40,000	15 years

Homebuyer Recapture Guidelines

The recipient must implement recapture restrictions for any homebuyer property purchased, in whole or in part, by a homebuyer that received a direct subsidy from the recipient from HOME funds. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing). **Developers, other than CHDO's, are not allowed to provide down-payment or closing cost assistance, however a developer may provide a direct subsidy by reducing the purchase price from fair market value to an affordable price.**

There are two different consequences that may be associated with a recapture provision (1) the recapture provision can be triggered (as described just below) or (2) an event of non-compliance can occur (as described further below).

The recapture provisions are triggered, if, any of the following occur during the Affordability Period:

(1) the homebuyer transfers or conveys the property by deed, land contract, or otherwise;

(2) foreclosure proceedings are commenced against the property;

(3) the property is transferred by an instrument in lieu of foreclosure; or

(4) the title to the property is transferred from the homebuyer through any other involuntary means.

Recapture provisions require that the direct homebuyer subsidy must be recaptured if any of the above-referenced events occur. The amount of the direct homebuyer subsidy shall be reduced by multiplying the direct homebuyer subsidy by the Forgiven Ratio ("defined below") in order to determine the amount that will be forgiven. The amount to be recaptured and shall be limited to the Net Proceeds of the sale. "Net Proceeds" means the sales price minus superior loan repayment (other than HOME funds) and closing costs. If there are no Net Proceeds, the amount to be recaptured will be zero and the HOME loan is considered satisfied. In the event there is significant market appreciation, once the HOME obligation is recaptured, the homebuyer can retain any appreciation. The amount recaptured cannot exceed the Net Proceeds, if any. "Forgiven Ratio" means a ratio that calculates the amount of the Direct Subsidy that is forgiven.

This ratio shall be calculated by dividing the number of full months that owner occupies the property as its principal residence by the total of number of months in the Affordability Period.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property.

In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Recapture Agreement.

If there is both a development subsidy and a direct homebuyer subsidy or just a direct homebuyer subsidy, a recapture provision must be implemented. In cases where a direct homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

Non- compliance. Non-compliance occurs during the Affordability Period when any of the following occur: 1) the original homebuyer no longer occupies the unit as his or her principal residence (i.e., unit is rented or vacant), or 2) the home was sold during the Affordability Period and the recapture provisions were not enforced. In the event of noncompliance, the recipient must repay the entire amount of the HOME funds invested in the property. Net Proceeds ("as defined above") and the Forgiven Ratio ("as defined above") are not applicable when there is a non-compliance.

Under recapture guidelines the Affordability Period is based upon the total amount of the direct homebuyer subsidy that the homebuyer received in HOME funds. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

Amount of Homebuyer Subsidy	**Affordability Period**
Under $15,000	5 years
$15,000 to $40,000	10 years
Over $40,000	15 years

SECTION III.

Public and Stakeholder Consultation

ihcda

Indiana Housing & Community Development Authority

To: Real Estate Department Partners **Notice: RED-16-11**
From: Real Estate Department
Date: February 15, 2016
Re: 2016 Annual Action Plan

Pursuant to 24 CFR part 91.115(a)(2), the State of Indiana wishes to encourage citizens to participate in the development of the State of Indiana Annual Action Plan for 2016. In accordance with this regulation, the State is providing the opportunity for citizens to comment on the 2016 Annual Action Plan draft report, which will be submitted to the US Department of Housing and Urban Development (HUD) on or before May 15, 2016.

The Action Plan defines the funding sources for the State of Indiana's four (4) major HUD-funded programs and provides communities a framework for defining comprehensive development planning. The FY 2016 Action Plan will set forth the method of distribution of funding for the following HUD-funded programs:

- State Community Development Block Grant (CDBG) Program
- Home Investment Partnership Program (HOME)
- Emergency Solutions Grant (ESG) Program
- Housing Opportunities for Persons with AIDS (HOPWA) Program

All members of the public are invited to review the draft Plan prior to submission February 15, 2016 through March 31 2016 during normal business hours of 8:30am to 5:00pm, Monday-Friday, at the Indiana Office of Community and Rural Affairs. A draft Plan will also be available on the IHCDA website (www.in.gov/ihcda) and the OCRA website (www.in.gov/ocra).

Written comments are invited from February 15, 2016 through March 31, 2016, at the following address:

2016 Annual Action Plan
Indiana Office of Community and Rural Affairs
One North Capitol – Suite 600
Indianapolis, IN 46204-2027

Comments may also be directed via e-mail to: afoster@bbcresearch.com.

Persons with disabilities will be provided with assistance respective to the contents of the Consolidated Plan. Interested citizens and parties who wish to receive a free copy of the Executive Summary of the FY 2016 Action Plan or have any other questions may contact the Indiana Office of Community and Rural Affairs at its toll free number 800.824.2476, or 317.233.3762, during normal business hours or via electronic mail at coscott@ocra.in.gov.