

IHCDA HOME Homebuyer Program

Applying 101

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IHCDA's Mission and Vision

Our Mission

To provide housing opportunities, promote self-sufficiency, and strengthen communities.

Our Vision

An Indiana with a sustainable quality of life for all Hoosiers in the community of their choice.



Agenda

- What is HOME Homebuyer (why did I sign up for this?)
- Eligible unit types
- Who can apply?
- How to apply?
- Threshold
 - Organization Structure and Capacity
 - Market need and pipeline
 - Site details
 - Development plan
 - Financing and Match
 - Special Threshold topics
- Scoring

What is HOME Homebuyer?

IHCDA Homebuyer Program

- Federal HUD program
- Provides subsidy to eligible non-profits and units of local government to support production of for-sale units
- Funds used for construction of housing and downpayment assistance
- Use of funds may be a grant or a grant + loan depending on how the project underwrites. Maximum award of \$500,000.
- No maximum overall subsidy (but cannot exceed HUD limits) but some limits on grant and buyer subsidy portion.
- Units to be sold for households making at or below [80% AMI](#)

Unit Types

- Property can be single-family, duplex, triplex, townhome or a building with no more than four units.
- Rehabilitation, new construction or rehabilitation/new construction paired with acquisition
- Manufactured homes may be eligible if they meet the IHCD's Manufactured Housing Policy or bring unit to federal standards (page 8 of Homebuyer Policy).
- May do fee simple sale, condo or lease-purchase

Ineligible Unit Types

- Rental Housing
- Owner-Occupied Repair
- Group Homes
- Secondary Housing Attached to a primary Unit
- Nursing Homes
- Rehab of mobile homes
- Units within floodplain (new HUD regulations!)
- Units applying under RHTC program
- Standalone downpayment

Applicant Eligibility

Eligible Applicants

- Can be Units of Local Government that do not already receive HOME
- Community Housing Development Organizations (CHDOs)
- 501(c)3 and (c)4
- PHAs
- Joint Venture Partnerships

Ineligible Geographies

- Following localities are not eligible for HOME funding:
 - Bloomington
 - Evansville
 - Fort Wayne
 - Indianapolis
 - Beech Grove, Lawrence, Speedway and Southport are eligible. Town of Cumberland is eligible outside Marion County
 - Lake County
 - Lafayette Consortium
 - Includes Cities of Lafayette and West Lafayette and unincorporated areas of Tippecanoe County.
 - Muncie
 - South Bend Consortium
 - Includes cities of South Bend and Mishawaka and unincorporated areas of St. Joe County.

Eligible PJs

- Proposed projects of Anderson, East Chicago, Gary, Hammond and Terre Haute are eligible during PY 2024.
- PJ must also commit their HOME funds to the project.

Past HOME awards

- Any other HOME awards that the applicant has received from IHCDA must be drawn by a minimum of 25% of the award's total funding amount.
- HOME funds awarded within the last six months or those which have not received Release of Funds are exempt.

How to Apply?

Funding Round Timeline

- Applications can be submitted on a rolling basis
- IHCD staff will review the application – process may take 1-2 months. IHCD staff will review for threshold and scoring. IHCD will send both a Threshold Letter and Preliminary Score Sheet.
- Environmental Review (more later) will be conducted simultaneously.
- All awards are subject to IHCD Board of Directors approval.

IHCDA Application Materials

- IHCDA application materials will be available on IHCDA's HOME Investment Partnership Program [site](#)
- Includes:
 - Policy
 - Application
 - Pro-Forma
 - Board Resolution
 - Homebuyer Tabs
- ERR materials can be found on ERR [site](#)
- CHDO Application Workbook, Block Group, and Predevelopment Policy/Application on CHDO [site](#)

Application Submission

- No fee to apply!
- Please contact Chris Adkins at CAdkins@ihcda.IN.gov to set up a OneDrive folder for your application submission.
- Completed copy in both Excel and PDF of the Application Form
- Completed Pro-forma (one per unit)

Application Submission

- All supporting documents required in the tabs.
- PLEASE submit this information as separate, labeled PDF documents under the required labeled tabs.
 - Please don't send one PDF of all supporting documentation. It will delay review significantly.
- Signed ERR record in PDF format
- Please notify Chris when all items have been uploaded.

- Tab A_SAM Registration
- Tab C_Greivance Procedures
- Tab D_Market Need
- Tab E_Not-for-Profit
- Tab F_Capacity
- Tab G_Pro-Forma
- Tab J_Site Map
- Tab K_Readiness
- Tab L_Environmental Review
- Tab M_Financial Commitments
- Tab N_Development Features
- Tab O_CHDO Applicaiton
- Tab Q_Displacement
- Tab R_Project Characteristics

- Appraisals
- Floor Plans
- Purchase Agreements
- Site Plans
- Title Search Documentation
- Comprehensive Community Plan
- Construction Cost Estimate
- Zoning Certification Letter

Application Submission

- Application has three parts:
 - Application form and Supplemental Materials – Threshold Items
 - Pro-Forma
 - Scoring
- Application form includes questions on various items for threshold, and scoring.
 - If you see anything not working correctly, please let IHCDa know!

Threshold Items

Threshold

- Must include all applicable threshold items to be considered for funding
- Application form includes checklist

9.2 Threshold Requirements

Completeness	Location
<p><i>Application and Supporting Documents</i></p> <ul style="list-style-type: none"> • Submit two copies of fully completed HOME Homebuyer application, one as an Excel file and one as a searchable PDF. • Submit all required supporting documents via the IHEDA OneDrive Site. 	Uploaded to OneDrive site
Threshold	Location
<p><i>SAM Registration</i></p> <ul style="list-style-type: none"> • Submit a copy of the applicant's System of Award Management (SAM) registration. https://www.sam.gov/portal/SAM/#1 	Tab A_SAM Registration
<p><i>Unique Entity Identifier</i></p> <ul style="list-style-type: none"> • The applicant must have an active Unique Entity Identifier (UEI) to be considered for HOME funding. 	Application
<p><i>Debarment Information</i></p> <ul style="list-style-type: none"> • All entities identified in the application must not be on a federal debarment list, IHEDA's suspension or debarment list, or in default on an IHEDA loan. • Applicant must agree not to select any contractors or subcontractors on the federal debarment list or IHEDA's suspension or debarment list 	Application

Threshold Items – Organizational Structure and Capacity

Who is building?

Application Cover Page

- Cover page – basic information on organization.
- Lists important contacts and development team
- If you have additional contacts, just provide document with appropriate contacts for correspondence

T1 - APPLICATION COVER PAGE

A - APPLICANT

1. Legal Name <input type="text"/>	2. Type <input type="text"/>
3. Address <input type="text"/> 3a. Street / P.O. Box <input type="text"/> <input type="text"/> <input type="text"/> 3b. City <input type="text"/> 3c. State <input type="text"/> 3d. ZIP Code <input type="text"/> 3e. County <input type="text"/>	4. Phone Numbers <input type="text"/> 4a. Phone <input type="text"/> 4b. Mobile <input type="text"/>
5. Contact <input type="text"/> 5a. First Name <input type="text"/> 5b. M.I. <input type="text"/> 5c. Last Name <input type="text"/> 5d. Title <input type="text"/> 5e. E-Mail Address <input type="text"/>	
6. Highest Elected Official or Executive Director	

[T1-Application Cover Page](#) | [T2-Development Information](#) | [T3-Narratives](#) | [T4-Units](#) | [T5-Match](#)

Organizational Requirements

- Sam.Gov registration
- NEW! UEI number now required instead of DUNS
- Debarment documentation not required – please make sure cover page includes all partners
 - Architect license requirement
- Board Resolution – required under State Statute.
 - Can be found on IHCDCA website
 - If signing electronically, please also provide Bylaws or Amendment authorizing electronic signature

Organizational Capacity

- Non-Profit Applicant Documentation
 - IRS Determination Letter
 - Certificate of Assistance
- Audited Financial Statements
 - Most recent copy of your audited financial statements. If you are not required to have audited financial statements, submit a compilation report put together by a third party OR your most current year-end financials.
- Year-to-Date Financials
 - Most current YTD financials which includes both the balance sheet and income statement.

Administrator

- Documentation needed to show administrator has been properly procured via the Competitive Negotiation Procedure
 - Signed copy of the RFP
 - Submit advertisement of the RFP
 - Signed agreement

CHDO Requirements

- If your organization wants to be certified as a CHDO:
 - If you have not been certified within 6 months of the application, please submit full CHDO application
 - If you have been certified within past 6 months through separate Homebuyer application or HOME Rental application, please provide either:
 - Letter from Executive Director stating nothing has changed since last certification, OR,
 - Letter and documentation of any CHDO changes
- If you want to certify, and you have not received \$50k of CHDO Operating in a given Program Year, you are eligible for CHDO Operating. See Tab D1 in Application form to apply.

Threshold Requirements – Market Need and Pipeline

Who is buying?

Market Need and Analysis

- A full market study is not required for HOME Homebuyer
- Want to demonstrate either:
 - Have specific buyers lined up and tentatively selected (tend to see this with Habitat) OR
 - Strong pipeline of buyers and partnerships
- Regulations pertaining to timing of selling the unit – more on this later, but good to be cognizant of now when applying
- Think through scaling project to ensure units get sold

Market Need and Analysis

- Tab D2 – Homebuyer Assessment
 - Asks about pipeline and buyers identified.
- T3-Narratives – Development Narrative:
 - Development narrative provides information on the project, the amenities nearby, who the project will be serving, what partnerships have been developed to support the project and community support
 - Tell the story of how your project will be successful!
- T3-Narratives Market questions include:
 - What does the community look like?
 - What is the market area?
 - Is the community growing/is there high demand?
 - Quantify the applicant pool (either wait list, or use data on need)
 - Capture Rate & Absorption Period

How will you work with buyers?

- T3- Narrative – Program Guidelines
 - How will you accept application?
 - How to you target the population you are serving?
 - How do you evaluate applications?
- Require Grievance Procedure Policy
 - How grievances are submitted
 - Who will review those
 - Timeframe for review
 - Appeals process

How will you work with buyers?

- Tab D6 – LEP (Meaningful Access for Limited English Proficient Persons)
 - Please describe meaningful actions to ensure access to the project
- Housing Counseling – more in a future application
 - Will need narrative describing the services to be provided to a homebuyer
 - Regulations pertaining to who can provide housing counseling

Threshold Requirements – Site Details

Where are we building?

What is the site?

- Submit clear, colored site map and site photos
- Zoning approval – letter no older than six months from the appropriate, authorized governmental official certifying that the current zoning allows for construction and operation of the proposed development
 - Lists any variances that were also required
 - If the project is still undergoing the approval process, IHEDA will not move forward on reviewing the project until the zoning is approved.

Site Control

- Purchase Option or Purchase Agreement that expires no less than 30 days after the award announcement date or an executed and recorded deed.
 - Recommend that Option expires no less than 3 months after submission to IHCDA
- Title Search which shows evidence of clear title with a title insurance commitment, title search documentation, or an attorney's opinion letter.
- Tax Sale special considerations:
 - Tax Title deeds do not warrant that the property is free of all liens and encumbrances.
 - Warranty deeds do, but county governments won't guarantee clear title
 - Would probably then rely on Attorney's Opinion or a Quiet Title Action

Environmental Review

- Environmental Review process governed under the National Environmental Policy Act of 1969; IHCDA pairs this with the National Historic Preservation Act of 1966 (Section 106 review).
- Environmental Review Workbook and all required supplemental documentation must be included.
- IHCDA ER site includes User's Guide, Workbooks, Resource Document (ie a How to Guide), Supplemental worksheets and Example Maps.

ER considerations

- Please note that IHEDA will not fund projects in the FFRMS, or projects that involve mapped or potential wetlands.
- Projects must not be within 2,500 feet from the end of a runway at a civil airport.
- New construction requirements near busy roadways, intersections, highways and railroads may be of concern. Noise above 75 dB is considered “unacceptable” under the Act and will require a new location. Noise between 65-75 dB will require mitigation.
- Project on or near a Superfund, CERCLA, solid/toxic waste disposal site, underground storage tank may require mitigation and other requirements.
 - New Radon Requirements!

Section 106

- All new construction units must under a 30-day archeology review with the State Historic Preservation Office
- Consulting Party letters – applicants must consult with outside parties and provide these letters with their application
 - If these are not done at time of application, this will delay funding
- IHCD will request a word document of the consulting party letter for tribal consultation which must come from IHCD.

ER Feasibility and Timing

- IHCD encourages partners to use the workbook to determine if a site and site plan may or may not be feasible.
- Timing on ERR is critical!
- Cannot execute an option or purchase property once the application for HOME funding is submitted to IHCD – if this occurs, IHCD will not be able to put HOME funds into the unit. This is called a “choice limiting action”.

Conversion to Exempt

- Applicants are to fill out the workbook in full. IHCDA or their third party, SJCA will determine if the project will convert to exempt.
- Two criteria must be met to convert:
 - The project is either 4 or less units on one site, or five or more units scattered sites, when the sites are more than 2,000 feet apart and there are also not more than 4 units on any one site, AND,
 - The development must not require compliance or additional consultation with regulatory authorities
- If the project does convert, IHCDA will send a ROF letter – no public comment period is needed.
- If it does not convert, 45-day public comment period is needed.

Threshold Requirements – Development Plans

What are we building?

Development Budget & Appraisals

- Submit detailed construction cost estimates for the development. IHCDa will need this for each unit as each unit has to be individually underwritten.
 - If not put together by an engineer or contractor, please provide information as to how the estimates were generated.
- IHCDa will use either the purchase agreement, or an “As-Is” appraisal to determine market value of the property pre-new construction/rehab. IHCDa may allow for a Comparative Market Analysis. Contact IHCDa prior to application submission.
 - As-Is appraisals will be required if using HOME for acquisition.

Development Budget & Appraisals

- While not required with application, an Appraisal to determine sales price (“After –Development Value”) can be submitted with application. This helps determine the amount of HOME needed for the project. Otherwise, provide comps to justify the proposed sales price.
 - If an appraisal is provided, no additional appraisal is needed to be submitted to IHCD when selling the unit. If an appraisal is not provided, it will be required prior to closing.
- If you are planning on using the HOME funds for acquisition, the cost of the eligible HOME costs will be based upon the lesser of the actual value paid for the property, or the appraised fair market value from the as-is appraisal.

Unit Plans & Design

- Provide site plans that show how the development is to be built, including:
 - Demolition
 - Existing Buildings
 - Placement and Orientation of new and existing buildings, parking, sidewalks, amenities
 - Location and size of any proposed commercial areas
 - Scaled drawing elevations for all building types
 - Rehab projects may submit renderings or photos if they are accompanied by an architect's certification that elevations will not change.
- Unit and Floor plans that include the square footage for each unit.
 - Cannot be handwritten.
 - Habitat Affiliates: if the specific unit and floor plan has not been determined, submit a variety of plans.
- Tab T4 Units Tab will identify numbers of units, number of bedrooms per unit, and projected AMI target for each unit.

New Construction Requirements

- All new construction homebuyer units must meet the visitability standard. All units must also be made accessible upon the request of the prospective buyer.
- Visitability is a design concept that allows persons with mobility impairments to enter and stay in a residence. Requirements include:
 - At least one zero-step entrance on an accessible route. Can be any entrance to the unit.
 - All main floor interior doors (including bathroom and closets) must provide at least 31 $\frac{3}{4}$ inches of clear opening width.
 - At least one half or full bathroom on the main level that is accessible.
 - Each hallway on the first floor had a width of at least 36 inches and is level, with ramped or beveled changes at each door threshold.
 - Each bathroom on the first floor is reinforced for potential installation of grab bars.

Rehabilitation Requirements

- Units to be rehabbed must be inspected by IHCDA or its third Party, Van Marter to confirm the construction cost estimates. IHCDA may require changes to cost-estimates and the pro-forma based on those results.
- Units built prior to 1978 must include a risk assessment with their application and include removal of lead-based paint as part of their scope.
 - There are strict licensing requirements on who can remove lead paint. Please contact Dave Pugh at dpugh@ihcda.in.gov for further guidance.
- IHCDA further recommends including other hazard removal (ie asbestos) as part of the construction cost estimates.

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.
- Units must meet additional energy efficiency standards for new construction as required under Chapter 11, and the applicable amendments to the 2020 Indiana Residential Code.

Additional Design Considerations

- Universal Design form is not required with application. At least two features from each section of the form must be adopted in each unit (not all units must have same features!).
- Features in Section A are high cost; Section B are considered moderate cost, and C are Low cost.
- You can elect to do additional Universal designs from each column for points (3-5 points).

Set A - Universal Design Features	
<input type="checkbox"/>	Front loading washer and dryer with front controls, raised on platforms or drawers in each unit or all laundry facilities
<input type="checkbox"/>	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)
<input type="checkbox"/>	Range/oven with controls located to not require reaching over burners in 10% of the units
<input type="checkbox"/>	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
<input type="checkbox"/>	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
<input type="checkbox"/>	Provide an accessible route from the garage into the dwelling in 10% of the units with attached private garages
<input type="checkbox"/>	Curb cuts along an accessible route throughout the development in accordance with 2009 ICC A117.1 Sections 406.13
<input type="checkbox"/>	Side by side refrigerators in each unit
<input type="checkbox"/>	Where private garages are provided, automatic garage door openers on the garage doors
<input type="checkbox"/>	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
<input type="checkbox"/>	Provide Motion detector controls for the outside lights at least on entrance in each unit
<input type="checkbox"/>	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
<input type="checkbox"/>	In kitchens, provide pull out shelving for all standard base cabinets in each unit
<input type="checkbox"/>	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
<input type="checkbox"/>	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
<input type="checkbox"/>	Dishwasher unit with all operable parts and shelving between 15" and 48" above the flooring 10% of the units
<input type="checkbox"/>	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
<input type="checkbox"/>	Grab bars in bathroom and shower in 10% of the units (1st bathroom only for two bathroom units). This feature requires two grab bars - one in the bathroom area and one in the shower specifically.
<input type="checkbox"/>	Remote controlled drape, blinds and/or curtains in 5% of the units
<input type="checkbox"/>	Carpet complying with ICC A117.1 Section 302.2 or slip resistant flooring

Additional Design Features - Scoring

- Design and Green Building Features are available for points.
- IHCDCA also has new scoring category for HERS rating below 65.
- If considering any additional design features for points, these can be put into your budget and may be HOME eligible.

Green Building Technique	Points
Orient structures on East/West axis for solar exposure	1
Include new trees in landscaping to curb winter winds and provide shade	1
Low VOC paints and finish materials (The US Green Building Council Standards can be found here).	1
Install flow reducers in faucets and showers	1
Minimize the disruption of existing plants and trees	1
Include recycling bins in the kitchen	1
Install recycled content flooring and underlayment	1
Install a light colored roofing material	1
Ultra low flow toilets (1.20 or less gallons per flush) or dual flush toilets	1
R-Value insulation exceeding Indiana State Building Code	1
Recycle deconstructed building material	1
Install Energy Star certified roof products	2
Incorporate permeable paving	2
Install high-efficiency, tank-less water heaters	2
Use on-site solar energy to reduce resident utility costs	2
Energy Star certified windows	2
Energy Star certified appliances. For new construction, all appliances must be Energy Star certified. For rehab, all replacement appliances must be energy Star certified.	2
Energy Star certified HVAC system	2

Threshold Requirements – Other Funding

What are the other sources in the project?

Funding Commitment

- HOME regulations require PJs (IHCDA) to ensure projects have all financing lined-up prior to entering into a contract.
- Must have letter of commitment or agreement with funder included as part of application.
 - Letter must be signed by highest official, on letterhead and in PDF.
- Can accept conditional agreements/letters
- If funds were committed more than one year prior to submission, provide a letter confirming funds are available/accessible
- SOURCES = USES

IHCDA Funding Sources

- CHDO Pre-Development Loan – loan for up to \$30,000 for eligible CHDOs
 - MUST be fully drawn prior to application
- CHDO Proceeds (more detail later) but can be used as a source of equity or debt!
- IHCDA Development Fund – Loan of up to \$500,000.
 - At least 50% of the units must be designated for households at or below 50% of AMI; remainder of units must be below 80% AMI.
 - Can be used for pre-development, acquisition, construction, permanent financing or bridge financing.
 - Loan term is 3%.

Match

- Match is waived.
- Applicants that have eligible sources of match can elect to bank that match at award closeout.

Match – Restrictions and Ineligible Sources

- Labor, property, funds from the developer are not eligible
- If land is “donated” from homebuyer to developer for development of site, that also cannot count as match.

Scoring – Leveraging

- Most sources of match will also count toward the Leveraging category!
- Exceptions: banked or shared match
- CHDO Proceeds can count for leveraging (would not count as match) and is eligible for an additional point.

Scoring

Scoring Criteria

- Minimum score of 50 (out of possible 95 points)
- Scoring covers:
 - Development Characteristics
 - Development Features
 - Readiness
 - Capacity
 - Leveraging
 - Bonus

Upcoming Training –

Monday, October 28th
9:30am

Application Underwriting Criteria

- Understanding the subsidies and the HOME request
- Affordability Requirements
 - Resale v. Recapture
- Breaking down the application proforma
 - Development Budget
 - Eligible Costs
 - Documentation of Costs
 - Preliminary Homebuyer underwriting
 - Putting it all together
 - Other sources
 - Proceeds
 - Determining final HOME request

ANY QUESTIONS?

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