

Summary of Changes for HOME Investment Partnership Program Rental Construction Policy

Program Year 2025-2026

Minor formatting, wording, grammatical changes and clarifications are not identified in this list.

Part 1: Application Process:

- 1.1 Funding Priorities: Updated priorities to comply with Indiana EO-25-14.
- 1.3 Funding Round Timeline: Updated Funding Round Timeline for 2025-2026 Rental Construction Application Round
- 1.6 Application Submission: Clarified IHCD will not accept applications for multiple phases of a development within the same funding round.

Part 2: Eligible Applicants:

- 2.1 Removed Joint Venture Partnerships from eligible applicants
- 2.3 Removed Gary, IN from Ineligible Development Locations and relocated to section 2.4.

Part 3: Eligible Activities and HOME Program Requirements:

- 3.1 Eligible Activities:
 - Clarified SRO housing requirements.
 - Added instructions for determining activity type when converting an existing structure to affordable housing (Adaptive Reuse).
- 3.2 Ineligible Activities: Clarified IHCD will not accept applications for multiple phases of a development within the same funding round.
- 3.3 HOME Program and Crosscutting Federal Requirements:
 - Updated flood plain language to remove restriction on re-platting and/or re-parceling a site out of a flood zone.
 - Clarified Capital Needs Assessment requirements.
 - Removed requirement that new construction projects be inspected at least three times during the award. The first inspection will be conducted halfway through the award term. The second inspection will be conducted upon construction completion.

Part 4: CHDOs:

- No Changes.

Part 5: Subsidy Limitations and Eligible Activity Costs:

- 5.1 Maximum Award Request, Subsidy Limitations & Budget Limitations:
 - Updated the submission date deadline for CHDO certification.
 - Updated the Per Unit Subsidy Limit table.
- 5.3 Eligible Costs:
 - Relocated Retainage Policy language to separate section 5.5.

Part 6: Compliance Requirements:

- 6.2 Period of Affordability table revised per HUD's HOME Final Rule issued April 20, 2025.
- 6.4 Clarified rent restriction applicability/requirements when either Tenant-based Rental Assistance or Project-based Rental Assistance is received

Part 7: Underwriting and Market Assessment:

- 7.1 Underwriting Guidelines:
 - Added Debt Coverage Ratio requirements for developments with 221(d)(4) or 223(f) loans.

Part 8: Design Requirements:

- 8.1 NSPIRE Affirmative Habitability Requirements:
 - Clarified GFCI outlet requirements with regards to washing machine.
 - Clarified a dedicated outlet cannot be a dual/duplex outlet.
 - Added Smoke Alarm location recommendation.
- 8.3 Additional Accessibility Requirements for Age-Restricted developments:
 - Clarified requirements for elevators in Adaptive Reuse and Rehabilitation developments.
 - Added Rehabilitation requirement that 100% of the units must have grab bars installed at all toilets, showers, and bathtubs.

Part 9: Completeness & Threshold Requirements:

- 9.2: Threshold Requirements:
 - Clarified Nonprofit Certificate of Existence must have been issued within 3 months of the application date.
 - Removed reference to American Lung Association of Indiana's "Smoke Free Housing Toolkit".

Part 10: Scoring:

- 10.1: Population Served:
 - Eviction Prevention: Added requirement that applicant submit a draft Eviction Prevention Plan.
 - Low Barrier Tenant Screening: Removed category committing to screening that minimizes the impact of criminal background on a household's ability to secure housing.
- 10.2: Location:
 - Reduced maximum points earned in Opportunity Index categories.
 - Reduced maximum points earned for access to Primary Care.
 - Increased radius of development's location in relation to Fresh Produce.
 - Added County category for Areas Underserved by the HOME Program in addition to City, Town, or Unincorporated Area category.
 - Revised the Housing Needs Index's minimum percentage of rent burdened households in the development's city or town.
 - Re-ordered Housing Need Index section to mirror order in which data sets are presented on CHAS website.

- 10.3 Development Features:
 - Construction type:
 - Added option for preservation of existing market rate housing that will be converted to affordable housing.
 - Removed restriction on agricultural land qualifying as infill new construction.
 - Increased points for electing Onsite Solar Energy
 - Increased points for electing 50% or more of units obtaining a HERS rating of 65% or lower
- 10.5: Leveraging Other Sources:
 - Clarified restrictions on and ineligible sources of leverage.
 - Clarified documentation requirements to support scoring in this category.

Part 11: Glossary

- Removed the term “Beneficiary” from policy and glossary.
- Added definition of Large or Small City.

Part 12: Development Fund:

- 12.2: Technical Assistance section removed; use same technical assistance referenced in Part 1.5.