



Residential Housing Infrastructure Assistance Program Guidelines

Section 1: Purpose of Program

Established by IC 5-1.2-15.5 (ACT) the following guidelines shall be used to implement the Indiana Residential Housing Infrastructure Assistance Program to be known as the Residential Infrastructure Fund (Fund).

The purpose of the Fund is to provide financial assistance to eligible participants to finance infrastructure projects that support residential housing development in communities that demonstrate need for additional housing inventory based on local job growth. The Fund will be administered by the Indiana Finance Authority (Authority). The uses of the Fund are required to be in compliance with the ACT and are outlined in Section 3 of these guidelines.

Section 2: Definitions

The following definitions apply throughout this document:

Authority means the Indiana Finance Authority, created under IC 5-1.2-3, which administers the program.

Eligible project means a project for housing infrastructure that complies with the ACT and these guidelines.

Residential Housing means single family or multifamily housing for rent or sale. The term includes condominiums and townhouses located in an economic development target area under IC 6-1.1-12.1-7.

Public infrastructure means any of the following infrastructure that is or will be owned, maintained, or provided by a political subdivision:

- (a) A water distribution system;
- (b) A water treatment plant;
- (c) A wastewater treatment plant;
- (d) A sanitary sewer system;
- (e) A storm sewer system;
- (f) A lift station;
- (g) A street, road, or bridge;
- (h) A curb, gutter, or sidewalk;
- (i) A traffic signal;
- (j) A street light;
- (k) An electric or gas distribution line;

The fund **cannot** be used for any of the following:

- (1) Repayment of any debt incurred for a project other than an eligible project;
- (2) Routine maintenance and repair projects
- (3) Upgrading utility poles

- (4) Fees for studies, reports, designs, or analyses prepared by consultants or engineers for an eligible project.

Political Subdivision means county, township, city, town, school corporation, library district, fire protection district, public transportation corporation, local hospital authority or corporation, local airport authority district, special service district, or special taxing district as defined in IC 36-1-2-13.

Section 3: Uses of the Indiana Residential Infrastructure Fund

The Program may finance public infrastructure for the support of residential housing including the purchase of land necessary to accommodate an Eligible Project including any soil excavation and/or compaction.

All funds will be distributed to a political subdivision in the form of a low interest loan for an Eligible Project. Upon completion, the property can only be transferred to another party with the approval of IFA.

Section 4: Application

To be considered for financial assistance political subdivisions must submit an application for funding. The Authority will select projects and place them on a project priority list after being ranked and scored.

Selection preference of projects is set forth in Section 6 of these guidelines.

Section 5: Project Requirements

Seventy percent (70%) of the funds appropriated for the Fund must be used for housing infrastructure in political subdivisions with a population of less than fifty thousand (50,000) and the remaining thirty percent (30%) of the fund must be used for housing infrastructure in political subdivisions not eligible for the 70% allocation.

For a project to be ranked and scored, the political subdivision may include but is not limited to the following criteria as set forth in the application:

- (1) A political subdivision must submit general project information on an application form provided by the Authority that is signed by the political subdivision's authorized representative.
- (2) Provide details in the application that represent the need for the funding, the type of housing that will be developed and what the cost of each unit will be with and without IFA's financial assistance. Post construction costs will be audited to verify savings was provided.
- (3) A certification that as of the date of the loan, no litigation is pending challenging the validity of or entry into the loan or any security of the loan.
- (4) The political subdivision must submit all other documentation requested by the Authority which may include but is not limited to the following: (1) a certification and guarantee of signatures; (2) an approving opinion of nationally recognized bond counsel and; (d) any other certifications, agreements, security or requirements requested by the Authority.

Section 6: Program Prioritization System

The Authority will establish a project prioritization system for the purposes of awarding funding from the Program. The priority system may include but is not limited to the following:

- (1) The project is ready to move forward with construction within the State fiscal year following application submission.
- (2) The political subdivision:
 - (a) Invested in a housing study within the last five (5) years; or
 - (b) Had a housing study performed by a region's local economic development organization; or
 - (c) Demonstrated the need for additional housing inventory as indicated by the Indiana Housing and Community Development Authority housing dashboard ([Indiana Housing Dashboard](#)).
- (3) The political subdivision has voluntarily revised unified development ordinances, zoning regulations, or other land development rules to allow for:
 - (a) higher density development;
 - (b) construction of other housing types including accessory dwelling units and manufactured and modular housing;
 - (c) adaptive reuse of commercial buildings for residential use; or
 - (d) waiver or elimination of regulations (e.g., garage size, greater setbacks, off-street parking)
- (4) The political subdivision does not have impact fee ordinances. ¹
- (5) The political subdivision has secured private, local, state, or federal funds to contribute to the eligible projects;
- (6) The political subdivision has secured a letter of support from an employer and elected body stipulating that the public infrastructure will support residential housing that is in reasonable proximity to employment; or will assist:
 - (e) homeowners to age in place through restoration or renovation of existing homes; or
 - (f) communities in preparing for shovel ready housing.

¹ If no development ordinances exist, demonstrate 5 a-d are permitted.

Section 8: Criteria for interest rates

The Authority will establish an interest rate criteria for proposed projects using the SRF matrix for traditional utility infrastructure projects. [IFA: State Revolving Fund: Summary of Current Interest Rate Policy](#). All other projects will be eligible for the interest rate equal to the highest SRF interest rate on the date of loan closing.

Section 9: Financial Due Diligence

The Authority will undertake the following:

- (1) A valid, binding, and enforceable financial assistance agreement for each political subdivision receiving a loan from the fund.
- (2) An evaluation as to the financial ability of each political subdivision to pay the loan and other obligations evidencing the loan, and comply with the financial assistance agreement.
- (3) Review each proposed eligible project and financial assistance agreement to determine if the project meets the credit, economic, or fiscal criteria established by the guidelines.

Section 10: Bidding and Procurement

Bidding and procurement must be done pursuant to applicable state law. Political subdivisions conducting procurement for any activity must proceed pursuant to IC 36-1-12.

Section 11: Pre-Construction

11-1 Acquisition of Land, Easements, and Existing Facilities

A political subdivision is responsible for acquisition of land, easements, and any existing facilities necessary to construct, operate, and maintain the proposed project.

11-2 Pre-Construction Contract Requirements

A political subdivision must provide copies of the following to the Authority to enter into any construction contract: executed contracts, notices to contractors to proceed, bid bonds, performance and payment bonds, and construction schedules.

Section 12: Construction

12-1 Change Orders

A political subdivision must submit copies of all change order(s) issued for the funded project to the Authority for review and approval.

12-2 Inspections

The Authority may conduct construction inspections in order to determine compliance with the approved construction permit, the Financial Assistance Agreement and other applicable requirements.

Section 13: Disbursement of Funds

Funds will be disbursed as follows:

(1) A political subdivision will submit a signed disbursement request form as authorized by the Authority with supporting documentation.

(2) The Authority will review disbursement request forms for eligibility and approve all requests for disbursement.

(3) All files and records pertaining to the Funded Project must be maintained by the political subdivision and made accessible to the Authority upon request. These files and records must be retained by the political subdivision for at least six years after initiation of operation as determined by the Authority. However, if any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the six-year period, the records will be retained until completion of the action and resolution of all issues that arise from it or until the end of the regular six- year period, whichever is later.

Section 14: Repayment:

Principal repayment begins within 12 months of substantial completion of the project with a 20 year fixed interest rate, with level annual debt service payments preferred.

Section 15: Reporting:

In order to track and document the benefits of the program, the political subdivision must:

- (1) Provide projected financing costs with and without state support.
- (2) Provide the number of units developed and by type.
- (3) Provide the percentage of funding that was leveraged using IRIF funds.
- (4) Provide the size of the laborshed and how many employers the development supported.

An audit by the authority will be conducted post project completion to verify the cost savings as a result of program funding.

Section16: Reservation of Rights

Reservation of Rights The following rights are reserved:

(1) The program guidelines do not prohibit a political subdivision from requiring more assurances, guarantees, indemnity, or other contractual requirements from any party performing work on any proposed or funded project.

(2) The program guidelines do not affect the Authority's right under existing statutes, rules or regulations to take remedial action, including, but not limited to, administrative enforcement action and actions for breach of contract against a political subdivision that fails to carry out its obligations under these guidelines.

(3) Review or approval by or for the Authority does not relieve a political subdivision of its responsibility to properly plan, design, build, and effectively operate and maintain the facility as required by applicable federal and state statutes, rules, regulations, permits, and best management practices. The Authority is

not responsible for increased costs resulting from defects in the plans, design drawings, specifications, inspections, construction, or other sub-agreement documents related to any proposed or funded project.