

State of Indiana

2020-2021

Qualified Allocation Plan



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

This QAP applies to all allocations of 2020 and 2021 Rental Housing Tax Credits (“RHTCs”) pursuant to Section 42 of the Code, multifamily private activity tax-exempt bonds (“Bonds”), Indiana Affordable Housing and Community Development Fund (“Development Fund”), and HOME Investment Partnership funds (“HOME”) in conjunction with RHTCs (collectively “Rental Housing Financing Programs”) and sets forth: (A) the role of the Indiana Housing and Community Development Authority (“IHCD”) in administering the Rental Housing Financing Programs; (B) housing goals of IHCD based on the perceived needs throughout the State; (C) guidelines for Developments receiving RHTCs in conjunction with Private Activity Tax-Exempt Bond Financing; (D) “set-aside” categories established by IHCD to further the accomplishment of the State’s housing goals; (E) minimum threshold requirements which all Applicants and Developments must satisfy in order to be considered by IHCD for Rental Housing Financing; and (F) evaluation factors which IHCD will consider in analyzing each application that satisfies all applicable minimum requirements.



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Section 1 - Role of IHCD

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

The actions, determinations, decisions, or other rulings made by IHCD pursuant to this Allocation Plan shall not be construed to be a representation or warranty by IHCD as to a Development's compliance with applicable legal requirements, the feasibility or viability of any Development, or of any other matter whatsoever. No action of IHCD shall be relied upon by any person as a representation or warranty by IHCD in connection therewith.

IHCD reserves the right to resolve all conflicts, inconsistencies, or ambiguities, if any, in this Allocation Plan or which may arise in administering the allocation of Rental Housing Financing Programs. IHCD in its sole discretion reserves the right to, and may from time to time, amend this Allocation Plan for any reason, including to assure compliance with applicable federal, State or local laws and regulations thereunder which may be amended and/or enacted and promulgated, to reflect changes in market conditions from time to time, and/or to terminate the program.

IHCD reserves the right to allocate resources to lower ranked proposals to achieve a better mix of resource usage or better geographical distribution of resources, or for any other reason judged by IHCD to be meritorious. Such actions will be made at IHCD's sole and absolute discretion. Any decision IHCD makes and any action or inaction by IHCD in administering the program shall be final and conclusive and shall not be subject to any review, whether judicial, administrative, or otherwise.

In the event of a conflict or inconsistency between this Allocation Plan and the Application Form and/or Appendices, the policies and procedures described in this Allocation Plan shall prevail.



Section 2 - Authority's Housing Goals and Priorities

Part 2.1 | IHCD's Vision and Mission

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

Part 2.2 | Housing Goals

This Allocation Plan:

1. Has been established by IHCD utilizing the selection criteria required by the Code in determining housing priorities of IHCD, which are appropriate to local conditions;
2. Gives preference in allocating Rental Housing Financing among selected Developments that meet IHCD's Housing Goals; and
3. Provides procedures that IHCD (or an agent or other private contractor of IHCD) will follow in monitoring for compliance with the provisions of the Code, in notifying the Internal Revenue Service of any noncompliance of which IHCD becomes aware, and in monitoring for compliance with habitability standards through regular site inspections.

IHCD's goals are to support and encourage Developments that:

- Set aside units at a variety of rent and income levels;
- Are part of a comprehensive neighborhood improvement and which have the capability of changing the character of a neighborhood through measurable community impact;
- Substantially upgrade and preserve existing affordable housing;
- Connect residents with appropriate services to enhance self-sufficiency and quality of life; and
- Are obligated to serve tenant populations with special housing needs, including but not limited to, persons experiencing homelessness and persons with disabilities.



Section 3 - Private Activity Tax-Exempt Bond Financing

Pursuant to the Code, Developments that do not receive a direct allocation from IHCDCA because such Developments qualify for 4% RHTCs and tax-exempt bonds under the Code, must nevertheless satisfy and comply with all requirements for an allocation under this Allocation Plan and the Code.

Developments will be limited to a maximum of \$35,000,000 in bond volume. For additional requirements and information on how to apply for bonds and 4% credits, see Schedule D - Private Activity Tax-Exempt Bond Requirements.

IHCDCA reserves the right to reduce the maximum bond request or to close the bond application round based on available bond volume. Any such changes will be announced via a RED Notice.



Section 4 - Set-Aside Categories

IHCDA believes it can best achieve its housing goals by establishing set-aside categories based on: (i) development by qualified not-for-profit organizations; (ii) Stellar Community Designation; (iii) Developments that serve persons with intellectual and developmental disabilities in an integrated housing setting; (iv) Development location; (v) Preservation; (vi) Developments that address the need for workforce housing; and (vii) Developments that utilize the Housing First model of supportive housing to end homelessness.

More than one set-aside category may be addressed by a Development depending upon the location, characteristics, and whether the owner is a qualified not-for-profit organization. However, a Development may compete in only one Development Location set-aside.

Note: There are no set-aside categories for bond-financed Developments.

IHCDA’s “housing tax credit ceiling” for allocation in any one year is determined by the sum of the following components:

1. Per Capita Credits – determined by the State’s population
2. Carry Forward Credits – unused credits in any one year will be carried forward for allocation in the succeeding year
3. Returned Credits – credits that are returned from Developments that received an allocation in previous years will be re-allocated
4. National Pool - If IHCDA is able to allocate the tax credits to a de minimus amount in any one year, the State is then eligible to receive additional credits from a pool of credits returned unused by other states.

The set-aside categories, their respective requirements, and the amount of the annual RHTC allocated to each are described below. IHCDA may exceed the amount of credits reserved per set-aside as identified below in order to completely fund a Development request.

% of Available RHTCs	Set-Aside Category
10%	Qualified Not-for-profit
10%	Stellar Community Designation
10%	Community Integration
10%	Large City
10%	Small City



10%	Rural
10%	Preservation
10%	Workforce Housing
10%	Housing First
10%	General

IHCDA intends to make every effort to satisfy the requirements of such set-aside categories in one application and reservation cycle. If such set-aside categories are not completed through one application and reservation cycle for the applicable year, IHCDA may allocate any RHTCs remaining available for allocation without regard to these set-aside categories, so long as such allocation is made in accordance with the Code and the goals of this Allocation Plan. Notwithstanding the foregoing to the contrary, upon completion of the scheduled reservation cycle IHCDA may hold another application and reservation cycle. If another application and reservation cycle will be held, IHCDA will provide an announcement thereof.

IHCDA may, in its sole discretion, elect in any reservation cycle not to allocate RHTCs to a Development that might otherwise qualify for an allocation. Notwithstanding the point ranking system set forth in this Plan, IHCDA reserves the right and shall have the power to allocate Rental Housing Financing to a Development irrespective of its point ranking, if such intended allocation is: (1) in compliance with Section 42 of the Code; (2) in furtherance of the Housing Goals stated herein; and (3) determined to be in the interests of the citizens of the State of Indiana. IHCDA will provide a written explanation to the general public for any allocation of RHTCs which is not made in accordance with the established goals, priorities, and selection criteria in this Allocation Plan.

Part 4.1 | Qualified Not-for-Profit

10% of available annual RHTC will be set aside for Developments in which a "qualified not-for-profit organization" owns 100% of the general partner interest, receives at least 35% of the developer fee (if any developer fee is deferred, the for-profit's and not-for-profit's deferral must be proportionate to the amount of developer fee they are to receive), and materially participates in its operations, as such terms are defined in and pursuant to Section 42 of the Code and this Allocation Plan. Note: 100% general partner ownership interest is only required by a qualified not-for profit for consideration in this set-aside and does not preclude joint ventures in any other set-aside.

To constitute a qualified not-for-profit organization, the following requirements must be met throughout the compliance period:

- One of the not-for-profit organization's exempt purposes must include the fostering of low-income housing;



- The not-for-profit organization must own 100% of the general partner interest in the Development;
- The not-for-profit organization must materially participate in the development and operation of the Development. A nonprofit entity is considered to be materially participating “where it is regularly, continuously, and substantially involved in providing services integral to the development and operation of a project.” For more information, see Internal Revenue Code Section 469(h), Chapter 6 of the IRS *Low-Income Housing Credit Audit Technique Guide*, and Part 2.3B of the IHEDA Compliance Manual;
- The not-for-profit organization must comply with all other Sections of the Code applicable to not-for-profit organizations, including the requirement that such organization not be affiliated with or controlled by a for-profit organization as determined by IHEDA;
- No part of the not-for-profit’s net earnings may benefit any member, founder, contributor, or individual;
- The not-for-profit must have been in existence at least one year prior to the date of application, with affordable housing as one of its primary goals; and
- The not-for-profit must receive at least 35% of the developer fee.

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

Required Documentation: The following items must be placed in Tab C:

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

Part 4.2| Stellar Community Designation

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

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

- The community or region must have an active Stellar Community Designation. Communities or regions that were named finalists but not chosen as designees are not eligible under this set-aside.



- The proposed Development must be specifically identified as part of the three-year Stellar Community Strategic Investment Plan or Stellar Regional Investment Plan which identifies capital and quality of life projects to be completed during the Stellar designation period.

Part 4.3 | Community Integration

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

To be eligible for the Community Integration set-aside, Developments must reserve 20-25% of the total development units for households in which at least one member is a person with an intellectual or developmental disability. In order to create integrated housing settings and discourage segregation based on disability, the number of units reserved for this population cannot exceed 25% of the total development units. In addition, the units must be spread throughout the property and cannot be clustered into a separate designated area. Creating designated buildings or areas solely for occupancy by persons with disabilities does not qualify under the set-aside.

All units set aside for persons with intellectual or developmental disabilities under the Community Integration set-aside must be rent-restricted at or below the applicable 30% rent limit. The at- or below-30% requirement applies specifically to the rent limits, not necessarily to the income limits. All income limits for the development may still be set at the federal minimum set-aside level if elected on the application.

A development participating in the Community Integration set-aside may not also propose/create supportive housing units for persons experiencing homelessness and request integrated supportive housing points.

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

- Form A must identify the percent of units designated for occupancy by the target population (minimum 20%, maximum 25%);
- Narrative must describe how the development will seek input from persons with disabilities and provide a housing setting that assists in integrating persons with intellectual and developmental disabilities into the community. Narrative must include a description of how residents will access necessary supportive services, which may include transportation options; and
- Copy of an executed Memorandum of Understanding with appropriate state or local entities which may include a disability organization or non-profit service provider that serves persons with intellectual or developmental disabilities. The identified entity must agree to refer clients to the housing units and to help connect residents with appropriate supportive



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

Required Documentation: At the time of application the following items must be placed in Tab A:

- Community Integration Set-aside Narrative. This is a separate narrative from the three-page Development Narrative; and
- Copies of executed MOU(s) with service provider(s).

Part 4.4 | Development Location

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

- a. 10% of available annual RHTC will be set aside for Developments located within a Large City. For purposes of this set-aside, Large City is defined as a city with a population of 75,000 or more (See Appendix C). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).
- b. 10% of available annual RHTC will be set aside for Developments located within a Small City. For purposes of this set-aside, Small City is defined as a city with a population of 15,000 – 74,999 (See Appendix D). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).
- c. 10% of available annual RHTC will be set aside for Developments located in areas designated as Rural, where the Development's location meets one of the following:
 1. The Development is located within the corporate limits of a City or Town with a population of 14,999 or less; or



2. 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 the QAP; or
3. The Development is located in an unincorporated area of a county whereas:
 - i. The Development is outside the two-mile jurisdiction of either a Large City or Small City as defined in the QAP; and
 - ii. The Development does not have access to public water or public sewer from either the Large City or Small City as defined in the QAP.

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

- 1) Documentation that the Development will be located in an area that has been officially declared a disaster area by the Governor of the State of Indiana.
- 2) A narrative description of how the proposed Development will help the area and the individuals affected by the disaster.

Part 4.5 | Preservation of Existing Federally Assisted Affordable Housing

10% of available annual RHTC will be set aside for Developments involving the substantial rehabilitation (as outlined in the property's Capital Needs Assessment – See Schedule F) of existing federally assisted affordable housing and/or the demolition and decentralization of federally assisted affordable housing units utilizing the same site (over 50% of the units must be replaced in the Development/Application).

This includes:

- Developments that propose the preservation of HUD or USDA affordable housing; or
- RHTC Developments with Compliance Periods that have expired or are expiring in the current year and the extended use agreement is still in place; or
- Federally assisted developments which entail demolition and decentralization of units with replacement of units on the same site as described above.

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

- If a Development contains multiple building and construction types, at least 50% of the units must qualify as preservation units; and
- Rehabilitation hard costs must be in excess of \$30,000 per unit excluding the costs of furniture, construction of community buildings and common area amenities. However,



USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common area amenities in the minimum per unit amount. Note: for Developments competing in all other set-asides, rehabilitation hard costs must be in excess of \$20,000 per unit.

Required Documentation: At the time of application the following items must be placed in Tab L:

- Third-party documentation from the entity enforcing affordable housing requirements evidencing the rent and income restrictions applicable to the property, including the terms of such restrictions; and
- The cost of furniture, construction of community buildings, and common area amenities are not included in the minimum per unit amount. The applicant must provide a hard cost budget separating out the cost for furniture, construction of community buildings and common area amenities. USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common area amenities in the minimum per unit amount. Place in Tab L.

Part 4.6 | Workforce Housing

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

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

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

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

Part 4.7 | Housing First / Supportive Housing

10% of available annual RHTC will be set aside for supportive housing Developments that further the creation of housing for persons experiencing homelessness. Housing First is an evidence-based



approach to engage and rapidly house individuals experiencing homelessness and to provide intensive but flexible services to stabilize and support housing retention. Eligible applicants must properly demonstrate participation in the Indiana Supportive Housing Institute (“The Institute”) as described below.

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

- a. 100% of the units in the development must be committed as supportive housing. Developments proposing to have only a portion of the units as supportive housing (i.e. “integrated supportive housing”) are not eligible in the set-aside but are given special consideration during scoring evaluation. See Evaluation Factors Part 5(e).
- b. The development must serve persons experiencing homelessness who are identified as the most vulnerable and most in need of supportive housing. The Institute RFP released each year will define the target populations that participating teams may choose to target. Each team participating in the Institute must develop a concept that serves one of the allowable target populations for that year’s Institute.
- c. Services must be voluntary, but readily available with staff continually working to engage and build relationships with the tenants. Participation in services cannot be required in order to remain housed. A harm reduction approach to services must be used in addressing substance use disorder and addiction.
- d. Property management staff must work collaboratively with supportive service providers and the tenant to implement eviction prevention practices. This process should involve service-rich interventions to attempt to exhaust all other solutions prior to serving a tenant an eviction notice. Eviction must be used only as a last resort.
- e. Tenant Selection must utilize the local Continuum of Care Coordinated Entry system. Property management must adopt a screening process that ensures supportive housing is accessible to the target population. The tenant selection plan must be written specific to supportive housing principles, may not screen out individuals based on credit history or previous landlord history, and must implement criminal background screening procedures that reduce barriers to obtaining housing.
- f. Management must utilize the Homeless Management Information System (HMIS) for reporting.
- g. Developments that compete under the Housing First set-aside must demonstrate meaningful and successful participation in the Institute. The Institute provides training and support to organizations applying for RHTC under this set-aside. Initial drafts of tenant outreach and engagement strategies, tenant selection policies, property management plans, and service plans must be completed as part of the Institute process and prior to submission of an RHTC application under the Housing First Set-aside. Participation in the Institute is based on a



competitive RFP selection process. Applicants for credits must successfully fulfill all requirements of the Institute for the specific development for which they are applying.

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

Special threshold considerations: Developments that compete under the Housing First set-aside are subject to additional threshold requirements. See Part 5.1T.

Part 4.8 | IHCD General

10% of available annual RHTCs will be set aside for Developments that further IHCD's mission, goals, initiatives, and priorities irrespective of the ranking by the evaluation factors. IHCD will exercise its sole discretion in the allocation of the IHCD General set-aside. IHCD will hold an annual public hearing to receive input on the General Set-aside and a notice will then be released with the timeline and requirements for competing in the set-aside.



Section 5 - Threshold Requirements

Each application must meet all of the minimum threshold requirements outlined in this Section. Applications failing to meet threshold will be removed from consideration.

All information submitted to IHCDCA pursuant to this Allocation Plan must be satisfactory to IHCDCA in its sole and absolute discretion. If IHCDCA requests additional information from an Applicant, such information must promptly be submitted within the timeline(s) determined by IHCDCA. **Additionally, all documentation (e.g. certifications, letters, etc.) must be issued/dated within six months prior to the Application deadline date, unless otherwise noted.** This does not apply to site control documentation as long as the expiration date is after the anticipated reservation date.

IHCDCA, in its sole discretion, will consider a waiver request from any Applicant, Owner and/or Developer in regards to any of the Threshold Requirements, User Eligibility and Limitations, and Minimum Development Standards of IHCDCA (IHCDCA does not accept waiver requests for scoring items). IHCDCA must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include: 1) the specific Threshold requirement for which the Development is requesting a waiver, 2) a detailed description as to why the Development cannot meet the Threshold requirement, 3) any additional information the Applicant would like IHCDCA to consider with the request, and 4) payment of the \$500 waiver request fee for each Threshold item requested to be waived. IHCDCA will provide a written response to the request.

IHCDCA will not entertain the following types of waiver requests:

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

Part 5.1 | Threshold Requirements

Each Development shall satisfy all requirements of the Code, all other applicable federal laws, and any additional requirements as set forth in this Allocation Plan throughout the required Compliance Period and/or other applicable period. These requirements include, without limitation:

A. Development Feasibility

Amounts allocated pursuant to this Allocation Plan may not exceed an amount which IHCDCA, in its sole discretion, determines is necessary for the financial feasibility of a Development and its viability as a qualified low-income housing Development throughout the Compliance Period. In making this determination, IHCDCA shall consider: (i) the sources and uses of funds and the total



financing planned for the Development; (ii) any proceeds or receipts expected to be generated by reason of tax benefits; (iii) the percentage of the RHTC used or to be used for Development costs other than the cost of intermediaries, unless such consideration would impede the process of developing in hard-to-develop areas; (iv) the reasonableness of the developmental and operational costs of the Development; (v) the developmental and/or operational costs of the Development as compared to similar costs of other Applicants; and (vi) such other factors it may consider applicable.

IHCDA may establish such criteria and assumptions it deems reasonable for the purposes of its determination, including, criteria as to the reasonableness of fees and profits, and assumptions as to projected occupancy, the amount of net syndication proceeds to be received, and increases in operating expenses and rental income. Any determination and/or allocation of Rental Housing Financing by IHCDA shall not be construed to be a representation or warranty by IHCDA as to the feasibility or viability of any Development.

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

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

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

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

B. IHCDA Notification

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

C. Not-For-Profit Participation

A not-for-profit competing for RHTC that has an ownership interest in the proposed Development (even if not competing in the Qualified Not-for-profit set-aside) must submit to



IHCDA at the time of application a resolution from its Board of Directors that includes language that approves:

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

Required Documentation:

- Resolution signed by the not-for-profit’s Board of Directors must be placed in Tab C. If the document is approved during a Board of Directors meeting, a quorum should pass and sign the resolution and such resolution shall be incorporated into the Minutes of the meeting.
- All not-for-profits with 100% ownership of the General Partner that wish to compete in the Qualified Not-for-profit set-aside must submit a signed Not-for-profit Questionnaire with required attachments (Form B) and place in Tab C.

D. Market Study

A market study meeting all requirements of Schedule C must be prepared at the Developer’s expense by a disinterested third-party from the approved Indiana Market Study Analyst list found under “QAP Schedules” on IHCDA’s website. Sufficient demand for the number of units in the development must exist in the market area of the Development and, based on reasonable predictions, continue to exist during the term of the Compliance Period or other applicable period.

IHCDA reserves the right to accept or decline the corresponding tax credit application from further review based on the market analysis.

Required Documentation: A comprehensive market study of the housing needs of low-income individuals in the area to be served by the Development, satisfactory to IHCDA, must be performed and submitted to IHCDA with the application submittal. The market study must be no more than six months old at the time of submission to IHCDA. Place in Tab N.

- E.** IHCDA will not consider or review more than one Application for the same Development or for substantially the same or similar costs submitted by a related Applicant with respect to a particular reservation and application cycle. Submission of more than one Application shall cause the cancellation of any pending Application earlier awarded.



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

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

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

Required Documentation: The Applicant, Owner, and Developer must submit the name and BIN Number of the most recent RHTC Development where they have participated with an ownership interest or been part of the Development team (including on a consulting basis). Completed Form A (Application).

- G. The Development Applicant/Owner, Developer, Management Agent and other members of the Development team as provided in the Rental Housing Finance Application must demonstrate sufficient financial, development, and managerial capabilities to complete the Development and maintain it for the Compliance Period and other applicable period.

The Applicant, Owner, Developer, management company, or any other member of the development team must be in good standing with IHCDA. If the application includes an entity currently on IHCDA's suspension or debarment list, or currently in default on an IHCDA loan, the application will not pass threshold.

Required Documentation: The Applicant must provide documentation to demonstrate sufficient financial, development, and managerial capabilities. Documentation must include the following in Tab D:

Most recent year-end financial statements and the current year-to-date balance sheet and income statements from:

- 1) The Developer; and
- 2) Any individual/entity providing guarantees for the Development; and
- 3) Management Company, if requested by IHCDA as part of threshold review.

Resumes showing adequate experience of the developer and the management company.



IHCDA may require audited or CPA reviewed financial statements, copies of tax returns, or additional documentation be submitted upon request.

H. The Development team must show their readiness to proceed as demonstrated by:

1) IHCDA's receipt of a completed "Application" in the form required by IHCDA and within the time period established and set forth in this Allocation Plan. Each Application must be accompanied by the appropriate application fee and all exhibits. Additionally, the Applicant must provide a Narrative Summary of the Development. See Schedule G for Application Package Submission Guidelines.

Required Documentation: The following documents must be submitted in Tab A:

- Application Form A;
- Narrative Summary of the Development (not to exceed 3 pages) and separate Unique Features Narrative (not to exceed 1 page); and
- Check made payable to IHCDA for the appropriate Application Fee. The check must be attached to the application.

2) Submitting satisfactory evidence of site control.

Required Documentation: The Applicant must submit documentation evidencing site control, including verification of current ownership, by submitting one of the following:

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

b) Executed and Recorded Deed; OR

c) Long-term lease option (term of lease must be for a minimum term specified in the Lien and Restrictive Covenant Agreement) and evidence of title either with title insurance commitment, title search documentation, or attorney's opinion; OR

d) When an Applicant intends to acquire a site and/or building through a government body, the Applicant must submit all of the following documentation as sufficient evidence of site control:

- Duly adopted resolutions of the applicable governmental agency or commission designating the subject area; and
- Duly adopted resolutions of the applicable governmental agency or commission authorizing the acquisition of the land to comprise the Development; and



- A letter from the applicable governmental agency or development commission setting forth the acquisition schedule for such land on a time table consistent with the Applicant's readiness to proceed without undue risk of Rental Housing Financing being returned to or rescinded by IHEDA; and
- Evidence of title either with title insurance commitment, title search documentation, or attorney opinion.

The site control documentation submitted must be in the name of the development ownership or the applicant. Site control documentation submitted in the name of the General Partner of the ownership or in the name of the Limited Partner of the General Partnership will not be accepted as evidence of proper site control. However, the General Partner of the ownership or the Limited Partner of the General Partnership may be listed as the “seller” on site control documentation. This documentation must be placed in Tab E.

3) Development Site Information

Required Documentation: The applicant must submit preliminary architectural plans that include:

- a) Unit plan(s) that include the square footage for each type of unit
- b) Dimensioned floor plans for all unit types showing the location of units, including exact placement of all accessible or adaptable units, and common areas
- c) Elevations for all building types (These must be scaled drawings; rehabilitation projects may submit renderings and photographs only if they are accompanied by a certification from an architect that elevations will not change).
- d) Basic site plan for any existing buildings, while also denoting any demolition of structures. The site plan must show how the development is to be built, including rehabilitation projects.
 - i. This plan must indicate the placement and orientation of buildings, parking areas, planned and existing public sidewalks, landscaping, easements, trash dumpsters, buffers, etc. The plan must indicate the number of parking spaces.
 - ii. If not listed on the floor plans, the site plan must indicate the exact placement and number of accessible or adaptable units.
 - iii. The site plan must indicate if any portion of the site is located in a flood plain or contains wetlands. If a flood plain or wetlands exist on the site, the site plan must indicate the buildings, common areas, and any land improvements located in relation to the flood plain/wetlands.



- iv. The plan must also indicate the location of planned site amenities including playground(s), gazebo(s), walking trails, etc.
 - v. The site plan must show the site boundaries and include the location of any streams, ravines, gullies, drainage problems, or other construction deterrents.
-
- e) Current aerial photograph with the location of the site clearly marked and the surrounding uses and access points to the site clearly visible. Scattered site projects must submit a map indicating the location of each site with either the parcel number or address labeled for each property.
 - f) Current photographs of the project site (images obtained from a website are not acceptable). If this is a rehabilitation project include images of each façade of the existing structure(s).

All development site documentation submitted must be dated no more than 12 months prior to the application date. Rehabilitation projects in which there are no structural changes to the development will be allowed to submit the “most current” architectural plans (which may be dated more than 12 months prior to the application date) along with an affidavit from the architect certifying that there will be no structural changes to the development floor plans. IHCD reserves the right to perform (through its own representatives or its agents) site visits and evaluations of the Development to determine the satisfaction of these requirements. Place this documentation in Tab F.

- 4) The Applicant must demonstrate an ability to obtain financing for the Development (e.g. syndication proceeds, loans, grants, or other funds).

Required Documentation: All sources of financing must be supported with appropriate documentation satisfactory to IHCD including the following documentation which must be submitted in Tab G:

- a) Lender letter of interest submitted to the Applicant in support of the Applicant's application must contain a representation and acknowledgment from the lender stating that such lender has reviewed:
 - The same application submitted or to be submitted by the Applicant to IHCD in support of the Rental Housing Financing for the Development to which such letter of interest relates;
 - The minimum set-aside election (40-60, 20-50, or average income) and all extended use restriction elections made by the Applicant;
 - The Minimum Underwriting Criteria set forth in this Allocation Plan;



- Any other special use restriction elections made by the Applicant which give rise to additional points in this Allocation Plan; and
 - The anticipated terms of the loan including loan amount, loan term, amortization period, annual payment, and interest rate.
- b) For financing not yet awarded, the Applicant must submit a certification stating:
- How the Development is eligible for the funding source;
 - The plan to fill the gap if this funding is not awarded. Note: This applies to IHCDCA gap sources, including but not limited to Development Fund or HOME; and
 - Developments applying for the Federal Home Loan Bank's (FHLB) Affordable Housing Program (AHP) must identify the anticipated application date, their Member Bank, and their regional FHLB in the certification narrative.
- c) If any additional funding/financing of any kind has already been awarded for the Development, a copy of the award letter that includes the expiration date for the award must be submitted.
- 5) The Development team must provide documentation to the sole satisfaction of IHCDCA that shows the real estate upon which the Development will be located is currently properly zoned to allow for the proposed Development.

Required Documentation: The Applicant must provide all of the following in Tab H:

- A letter from the appropriate authorized government official (e.g. zoning commission) that describes the Development location and certifies that the current zoning allows for construction and operation of the proposed Development without the need for additional variance; and
- A copy of all approved variances on the property, if any; and
- If a Planned Unit Development (PUD), a copy of the appropriate documentation (i.e. organization & requirements).

IHCDCA may accept an attorney's opinion with appropriate supporting documentation documenting that the proposed site's current zoning allows for the construction and operation of the proposed Development without the need for additional variance. This will only be accepted with documentation of failed attempts to obtain the information from the appropriate authorized government official.



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

Required Documentation: Completed Form A (Application).

- J. Evidence of Compliance

Every Development Team member with any ownership interest in a Development which has received an allocation of RHTC by IHCD since the inception of the RHTC program (January 1, 1987) must cooperate and comply with IHCD's compliance monitoring procedures. IHCD's monitoring procedures and requirements are set forth in the RHTC Compliance Manual (<http://www.in.gov/myihcda/2490.htm>), a copy of which is attached as Schedule A to this Allocation Plan and made a part hereof. If, in the sole discretion of IHCD, any Development Team member has materially failed to comply with the procedures and requirements of IHCD or any of its programs, the Code, or any other governmental program, including, but not limited to, HUD and/or USDA funded programs: (i) IHCD may withhold or reduce, in whole or in part, Rental Housing Financing for which application is made, irrespective of whether the withheld or reduced funding relates to the Development to which the noncompliance relates; and (ii) if the Applicant's noncompliance is chronic and/or egregious in nature, IHCD may refuse to accept for filing and/or otherwise refuse to consider all or any part of the Applicant's pending or future applications for funding until such time as IHCD decides otherwise.

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

All Development team members with an ownership interest in any RHTC Development must satisfactorily demonstrate that all prior findings and assessments against all Applicants and its principals, participants, and affiliates have been satisfied.

Any Development found to be in violation of this Allocation Plan will be subject to a reduction or rescission in Rental Housing Financing, and all Development Team members may be subject to debarment from participating in all IHCD programs for up to five years.

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

- 1) All of the Development Team members with an ownership interest or material participation in any affordable housing Development must disclose any outstanding non-compliance issue(s) and/or loan defaults with any state or federal affordable housing program (including private activity tax-exempt bonds) in which it has participated. Failure to disclose may result in the loss of funding.



2) All principals of the General Partner interest or managing member (if an LLC) and each member of the Development Team (as identified in Form A) must submit a written affidavit accurately disclosing:

- His/her complete interest in and affiliations with the proposed Development
- Any outstanding noncompliance issues on any affordable housing program
- All other RHTC funded Developments located in Indiana where they own(ed) an interest
- The management company named in Form A must add language to its affidavit certifying that:
 - They have reviewed the application for Rental Housing Financing including the operating budget; and
 - They can effectively manage the property according to the requirements of Section 42, the Qualified Allocation Plan, and the elections made by the Owner/Applicant in the application for Rental Housing Financing.

K. Phase I Environmental Site Assessment & Development Fund State Historic Review

A full Phase I Environmental Assessment must be completed prior to Application submission. All required documentation must be placed in Tab K.

Required Documentation:

1. Environmental Phase I completed by an experienced and qualified disinterested third-party hired by the Applicant. The Environmental Phase I must address wetlands and flood plains. Wetland Delineation and USGS maps are required to document the existence of wetlands areas on the site, and must be included in the Environmental Phase I. If there are no wetlands areas on the site, a wetlands delineation is not required but in all cases USGS maps must be included in the Environmental Phase I; and
2. An affidavit from third-party completing the Environmental Phase I certifying that they are a disinterested third-party.
3. If the Environmental Phase I identifies Recognized Environmental Conditions (RECs), the Applicant must submit a narrative describing how the RECs will be mitigated and how these costs will be paid.
4. 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 HOME funding). **IHCDA requires official FEMA maps – third-party maps, even those created using FEMA data, are ineligible. If a FEMA map is not available for an area, the applicant must submit a printout or screenshot of the FEMA website documenting that no map is available. In this specific instance, the applicant may submit a DNR map in place of a FEMA map.** Maps may be downloaded from the FEMA website here: <https://msc.fema.gov/portal>.

5. If a flood plain and/or wetlands are located anywhere on the site, the site plan must show where the buildings, common areas, and any land improvements will be located in relation to the flood plain and/or wetlands.

100-year Flood Plains (Zone A1-30, AE, A, AH, AO, AR, or A99 as defined by HUD): Applications that propose the placement of buildings in a 100-year flood plain must submit the following documentation:

- a) All areas of the 100-year flood plain must be documented by the FEMA map for the areas in which the site is located. The proposed site for development must be located on that map.
- b) A FEMA Conditional Letter of reclassification for the property that shows that the property is eligible for reclassification out of the flood plain area.
- c) A qualified licensed surveyor or civil engineer must provide a letter identifying necessary mitigation activities and costs for the site work involved in the reclassification.
- d) A letter identifying the financing plan to cover the costs of reclassification.

For all properties that receive an award of RHTCs and are located in a 100-year flood plain at the time of initial application, a final letter of reclassification from FEMA along with an elevation certification must be provided to IHCDA at the completion of the Development. If wetlands or hazardous substances exist on the site, the Applicant must submit: 1) evidence that the wetlands or hazardous substances can be mitigated; and 2) a plan, that includes financing, of how the Applicant anticipates mitigating the wetlands or hazardous substances.

Developments in a 100 year flood plain (Zone A) are not eligible for HOME funding.



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

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

For projects requesting Development Fund, the applicant must submit to IHCD the State Historic Review documentation as required by Indiana Code 14-21-1-18. Instructions regarding the documentation required for the Development Fund's state historic review process can be found in the Environmental Review Record and Section 106 User's Guide at <https://www.in.gov/myihcda/2650.htm>. Applicants must determine if the development building(s) or structures(s) are listed individually in the State or National Register of Historic Places.

Required Documentation:

1. Submit a map from IDNR's [Indiana Historic Buildings, Bridges, and Cemeteries Map](#) to show proof of determination. Refer to Appendix 3 Resources Document of the Environmental Review Record and Section 106 User's Guide for specific directions on how to research your property using the map tool. Refer to Appendix 9 for example maps to include.
 2. If the project site(s) or if the project structure(s) are listed in the National Register of Historic Places or if it is listed on the State register, then IHCD may request more information in order to submit a Certificate of Approval (CofA) application to SHPO on behalf of the Development Fund recipient. The CofA review will take a minimum of 30 days once received by SHPO. Refer to the User's Guide or [DNR's website](#) for more information.
- L. All applicable conditions and requirements of State and local laws, statutes, regulations, ordinances, and other proper authorities in the State, including the requirements specified in the Application, the Indiana Handicapped Accessibility Code as amended, and such additional items which may be required by IHCD (collectively, "State Laws"), shall be satisfied.

Additionally, the Development has been designed to comply with the requirements of all applicable local, state, and federal fair housing and disability-related laws. The Development design should consider, at a minimum, the applicability of the local building codes, Federal Fair Housing Act, the Americans with Disabilities Act, and the Rehabilitation Act of 1973, as amended.

Required Documentation: Completed Form A (Application).

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



local Environmental Protection Agency (EPA) Regional Office and www.ikeycoalition.org for Indiana's rules.)

Required Documentation: The Applicant must certify that the Development will comply with these laws and rules. Completed Form A (Application).

N. Developments proposing commercial areas

Required Documentation: The Application must include the following documentation in Tab F:

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

O. Acquisition

1. If any portion of the RHTC or any other IHEDA resources are being used to acquire the Development, RHTC and/or acquisition eligible basis will be calculated based on the lesser of the actual amount paid for the building or the appraised fair market value. An appraisal is also required if the Applicant is requesting Project Based Vouchers, even if not requesting acquisition credits.

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

2. If any portion of the RHTCs are used to acquire the Development, it must be either exempt from or meet the requirements of IRC Section 42(d)(2)(B)(ii) as to the 10-year placed-in-service rule.

Required Documentation: The Applicant must submit at least one of the following items in Tab L:

- A chain of title report from a title company; or
- A tax professional's opinion from an unrelated party stating that the acquisition is either exempt from or meets the requirements of IRC Section 42(d)(2)(B)(ii) as to the 10-year placed-in-service rule; or
- If a waiver of the 10-year ownership rule is necessary, a letter from the appropriate Federal official that states that the proposed project qualifies for a waiver under IRC Section 42(d)(6).



3. If any portion of the RHTCs is used to acquire the Development, the Applicant must disclose all Related Parties and the proceeds from the sale to each Related Party. See Schedule H, “Glossary” for the definition of Related Parties.

Required Documentation: The Applicant must submit the following in Tab L.

- An attorney opinion that the acquisition meets the related party limitation; and
- Completed Related Party Form.

P. For Developments proposing rehabilitation, the rehabilitation hard costs must be in excess of \$20,000 per unit. However, if the Development is competing in the Preservation set-aside the rehabilitation hard costs must be in excess of \$30,000 per unit. The cost of furniture, construction of community buildings, and common area amenities are not included in the minimum per unit amount. USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common area amenities in the minimum per unit amount.

Required Documentation: All Applicants applying for rehabilitation Developments must submit a capital needs assessment performed by an independent, Indiana licensed qualified professional (engineer/architect) in the format required in Schedule F. For 9% applications, this must be submitted at least 30 days prior to the application submission. For 4%/bond applications, this may be submitted with the complete application.

Applicants applying for adaptive reuse Developments are not required to complete the Capital Needs Assessment, but are required to submit a structural conditions report by an independent, Indiana licensed qualified professional (architect/engineer). For 9% applications, this must be submitted at least 30 days prior to the application submission. For 4%/bond applications, this may be submitted with the complete application. The structural conditions report must contain an assessment for any physical aspects that will be retained to verify their current condition and any repairs that will be necessary for use in the development. Place in Tab L.

Q. For all Developments that will impact existing tenants, provide a displacement/relocation plan.

Required Documentation: A detailed displacement/relocation plan that includes all of the following information must be submitted in Tab L:

- Any potential permanent, temporary or economic displacement/relocation issues;
- The number of current tenants to be relocated;
- Where the tenants will be relocated during the rehabilitation and for the length of time;



- How displacement/relocation will be minimized and how relocation expenses will be paid for if they are incurred;
 - Displacement/relocation assistance plan (e.g. Who will get assistance? How much assistance will they receive? When and how will they receive their assistance? Who will provide advisory services to those displaced?); and
 - Anticipated relocation budget with itemized expenses. Note: Relocation expenses must also be listed in the development budget in Form A.
- R. Upon request, the Applicant shall provide a completed IRS Form 8821 Tax Information Authorization for each Owner/General Partner. The form must be signed by an individual authorized to sign on behalf of the Owner.
- S. Underwriting Guidelines

The following underwriting guidelines apply to all Developments. However, Applicants should be aware that these are averages and the numbers submitted should reflect the nature and true cost of the Development proposed.

IHCDA will consider underwriting outside of these guidelines if supporting documentation is provided in Tab M. If an explanation and supporting documentation is not provided for being outside of the guidelines, a technical correction will be issued. Approval of underwriting from other financing institutions/funding sources may not constitute acceptable supporting documentation.

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

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

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



- 2) Management Fee— 5-7% of “effective gross income” (gross income for all units less Vacancy Rate).

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

- 3) Vacancy Rate – 6% - 8%
- 4) Rental Income Growth – 0-2% per year
- 5) Operating Reserves – four to six months of projected operating expenses, plus debt service payments and annual replacement reserve payments, or \$1,500 per unit (whichever is greater)
- 6) Replacement Reserve is required for all developments and must be included in the operating budget. 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 Extended Use Period. The following minimum contributions must be used:
- a) Rehabilitation: \$350 per unit per year
 - b) New Construction (if age-restricted): \$250 per unit per year
 - c) New Construction (if non age-restricted): \$300 per unit per year
 - d) Single Family Units: \$420 per unit per year
 - e) Historic Rehabilitation: \$420 per unit per year

For multiple construction types, each unit must meet the minimum contributions stated above based on the construction type of that unit. For example, if a development contains 30 age-restricted new construction units and 20 rehabilitation units, the calculation would be 30 units at \$250 per unit per year and 20 units at \$350 per unit per year.

Replacement Reserve funds must 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 IHCD.



Replacement Reserves must escalate at a rate of 3% per year. IHCD A will at its discretion, adjust the Replacement Reserve requirements to reflect reasonable and customary capital and replacement expenditures.

For rehabilitation developments the capital needs assessment will also be reviewed in determining whether sufficient reserves have been established.

- 7) Service Reserve- All Developments competing in the Housing First set-aside or requesting points under the integrated supportive housing scoring category must establish a capitalized service reserve to help ensure that supportive services can be provided to tenants throughout the compliance period. The amount of the service reserve must be based on development size and service budget. The application must include a copy of the anticipated service budget and a narrative describing the methodology used to determine the size of the proposed service reserve. Place in Tab M.

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

- 8) Operating Expense Growth – 1-3% per year

IHCD A requires operating expense growth to be at least 1% higher than rental income growth.

- 9) Stabilized debt coverage ratio (stabilization usually occurs in year 2)

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

Although stabilization generally occurs in year two, the debt coverage ratio projection for a Development should not go below 1.10 during the complete 15 year Compliance Period to be considered financially feasible.

IHCD A recognizes that some deals may have higher debt coverage at the beginning of the compliance period in order to remain feasible over the 15 years. Documentation to support these higher debt coverage ratios must be provided. However, for developments with Project Based Vouchers, the debt coverage ratio must be in the range stated in part 9.c above for all years.

Developments without hard debt are allowed, but will be subject to additional scrutiny from IHCD A. 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 replacement reserve contributions). A ratio of 1.10 shall be the minimum required to be considered feasible by IHCD in Years 1-15.

10) Taxes and insurance

Required Documentation: 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). Place in Tab M.

11) Grants/Federal Subsidies

RHTC Developments that include “soft” loans (e.g. HOME funds loaned to the Development with payments through available cash flow) must demonstrate a reasonable expectation (as determined by IHCD in its sole and absolute discretion) that the loan will be repaid at a date certain (usually 8-15 years). If the loan and any outstanding interest is not expected to be paid until the end of the Initial Compliance Period, there must be reasonable expectation that the fair market value of the Development will be sufficient at that time to pay the accrued interest and debt and that the net income of the Development will be sufficient to sustain debt service.

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

12) Basis Boost

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

IHCD may also increase or “boost” the eligible basis up to 30% for 9% projects to determine the maximum credit amount if the eligible basis otherwise would be a low percentage of the total development costs due to any of the following:

- 1) Development is in an officially declared disaster area by the State of Indiana and will assist in providing affordable housing to people affected by the disaster.
- 2) Competing under the Community Integration set-aside, Preservation set-aside, Housing First set-aside, or eligible for points under the Integrated Supportive Housing scoring category
- 3) Necessity of extensive site preparation and/or off-site costs. All such work must be reasonable based on the circumstances.



- 4) Demolition and new construction, rehabilitation of historic structures, and/or conversion of existing structures.
- 5) Commit to rent levels that maximize total points under Section G.1, “Rents Charged” scoring category.

Buildings located in QCTs or DDAs already qualifying for additional credits will not qualify for an additional increase if they have already received the eligible basis boost.

Required Documentation: The following documentation must be placed in Tab A.

- Developments located in a declared disaster area must include: (i) documentation that the Development is in an area that has been officially declared a disaster area by the Governor, and (ii) a narrative description of how the proposed Development will help the area and the individuals affected by the disaster.
- All other Developments must provide a narrative explanation justifying the need to increase the eligible basis.

T. Threshold Requirements for Supportive Housing

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

- 1) Applicant must successfully fulfill all requirements of the 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:
 - The team attended all Institute sessions; and
 - CSH has reviewed the proposed development, operating, and service budgets, tenant selection plan, operation plan, and supportive service plan. The Development Team must submit their draft budgets and plans to CSH 45-90 days prior to the tax credit application submission deadline in order to allow time for review and comments; and
 - Project concept is aligned with Institute goals, including target population to be served and use of the Housing First model.
- 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 RHTC 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 RHTC application.
- 4) Applicant must identify all subsidy sources and funding commitments must be provided with the RHTC application. If the funding has not yet been committed, applicant must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. If applicant is applying for Project Based Section 8 through IHCD, Form O must be submitted.

Required Documentation: Application must include the following items placed in Tab O:

- CSH letter certifying completion of the Institute, review of applicable plans, and conformance with Institute goals / the Housing First model; and
- Copy of executed CSH MOU; and
- Copies of all applicable service provider MOUs; and
- Documentation of subsidy sources commitments or narratives as described in item #4 above; and
- If applicable, Form O to apply for IHCD Project Based Section 8.

U. Irrevocable Waiver of Right to Request Qualified Contract Right

All Applicants for 4%/bond or 9% credit allocations must irrevocably waive their right to request early termination of the extended use agreement through the Qualified Contract process. Applicants may not request a waiver of this threshold requirement at the time of application, and IHCD will not allow any early releases/exemptions from this requirement during the extended use period. All Developments receiving reservations under this Allocation Plan must meet the full 30-year extended use period obligation.

Note: This waiver does not preclude the ability for ownership changes that maintain the affordability or for a request for a subsequent allocation of credits / resyndication post Year 15.

Part 5.2 | User Eligibility and Limitations

A. Development Limitations

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

For Developments requesting tax exempt bond financing, the credit request may exceed \$1,200,000 if the Development has sufficient basis.



B. Developer Fee Limitations

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

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

IHCDA will monitor both hard and soft costs of the Development compared to Developments of similar size and location and in its sole discretion may reduce the total Developer Fee, which may reduce the amount of any RHTC allocation.

NOTE: Consultant Fees, Guaranty Fees (between related parties), or any similar fees, charges, or reimbursement for services customarily performed or provided by an affordable housing developer or consultant will be considered separate fees, but all these fees must be included in the Developer Fee cap.

When determining the amount of RHTC necessary to make a Development financially feasible, IHCDA will include the deferred Developer Fee as a source of funding.



To be included in RHTC basis, deferred Developer Fee must be due and payable at a date certain. Fees may be paid as a cash flow loan if it can be demonstrated that the fee can and will be paid in a reasonable amount of time (generally considered to be 8-15 years). Any deferred developer fee must be paid by the end of the 15 year Compliance Period to be included in basis. If fees are permanently contributed to the Development, they must be paid to the Developer and then contributed to the Development if the fees are to be included in RHTC basis.

Additionally, at the time of initial Application, no more than 60% of the Developer Fee may be deferred for 9% RHTC Developments and no more than 80% of the Developer Fee may be deferred for 4%/bond Developments.

Required Documentation: Applicant must include the following in Tab M:

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

A Deferred Developer Fee Agreement evidencing the principal amount and terms of interest and repayment of any deferred repayment obligation must be submitted at the time of final cost certification.

C. Contractor Fee Limitations

Contractor Fees shall also be limited, for purposes of determining the RHTC amount to be allocated, based on the amount of total costs incurred toward the construction or rehabilitation of the Development (including site work not included in the construction contract), excluding Developer and Contractor Fees. The Contractor Fee limitations are as follows:

Contractor Fees	Contractor Fee % Limitations
General Requirements	6% of Total Construction/Rehabilitation Cost
Builder's Overhead	2% of Total Construction/Rehabilitation Cost
Builder's Profit	6% of Total Construction/Rehabilitation Cost
Total	14% of Total Construction/Rehabilitation Cost



IHCDA calculates the Contractor Fee by taking the sum of General Requirements, Builder's Overhead, and Builder's Profit and then dividing that total by the sum of Site Work, New Building, Rehabilitation, and Accessory Building costs. Demolition hard costs and Hard Cost Contingency are not part of the calculation.

IHCDA will permit savings in a particular Contractor Fee line item to offset overruns in other Contractor Fee line items provided that in any event the total Contractor Fees shall not exceed 14%.

No increase will be permitted higher than the above stated limitations.

D. Architect Fee Limitations

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

Applicants that propose an Architect Fee exceeding 4% must follow a Competitive Negotiation Procedure. The guidelines for a Competitive Negotiation Procedure are located in the Glossary, Schedule H.

Architect design fees may be reduced further when the same design has been used in previous developments.

Required Documentation: If following a Competitive Negotiation Procedure, place a description in Tab M.

E. Consultant Fee Limitations

Consultant Fee is a separate fee but must be included in the Developer Fee cap. See Part 5.2A above.

F. Contingency Limitations

Hard cost contingency may not exceed the following:

- For new construction, 5% of hard costs.
- For rehabilitation of existing housing, 15% of hard costs.
- For historic rehabilitation and/or adaptive reuse, 20% of hard costs.
- For developments with multiple construction types, each type must follow the limits above.

Soft cost contingency may not exceed 3% of total soft costs for any construction type.

G. Reasonableness of Project Costs

Any line item costs, square footage costs, or total unit costs exceeding a range of reasonableness may be disallowed at the discretion of IHCDA. Additional information and documentation (verified by IHCDA and/or IHCDA's designee) may be required to



substantiate the reasonableness of the cost. Any allocation made will be determined using IHCD's assessment of cost.

H. Related Party Fees

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

Applications without related parties must still sign and submit Form N.

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

Part 5.3 | Minimum Development Standards

A. In addition to meeting all new construction and rehabilitation standards required by IRC Section 42 and local and State building codes, each unit must provide in good working order:

- 1) Stove or in the case of SROs access to a communal stove.
- 2) Fire Suppressors above stoves/ranges.
- 3) All developments are required to install either both or combination smoke and CO detectors in accordance with Indiana Building Codes and NFPA 72. Smoke detectors, in all existing buildings and rehabilitations, shall be installed in all locations per current Indiana Code requirements that are applicable for new construction. The smoke detectors shall be hard wired with the primary power source, have battery back-up, and be interconnected as required by Indiana Building Codes and NFPA 72 for new construction. Where the rehabilitation does not include removal of existing wall or ceiling finishes exposing the structure, and the wall, ceiling, and/or floor structures are not exposed, battery operated smoke detectors shall be installed in all locations required by Indiana Codes for new construction unless there is access to ceiling areas through attics, and access to walls from crawl spaces or basements. Ceilings with attic areas, and floors with crawl space/basement areas shall have smoke detectors installed in all locations, be hard wired, have battery back-up, and interconnected, or smoke detectors that are interconnected remotely with 10-year batteries, per current Indiana Code requirements for new construction.
- 4) All developments must replace all smoke detectors after they have been in service for 10 years, as per the requirements in NFPA 72.
- 5) At least 5% of total units in rehabilitation/adaptive reuse projects or 6% of total units in new construction projects must be accessible or adaptable, utilizing the International Code Council's Accessible and Usable Buildings and Facilities



Standard Type A or Type B. All accessible and adaptable units must be labelled on the site plan and/or floor plans.

- B. The following minimum design requirements apply: (1) to all new construction and (2) to rehabilitation if the following items are proposed as part of the rehabilitation scope of work. NOTE: For rehabilitation, new components, systems, appliances, etc. that will be utilized in one or more units must be utilized in every unit of the Development.
- 1) The use of low maintenance exterior building finishes including brick, stone, hardy board, fiber cement siding or vinyl siding. If vinyl siding is used it must be at least Residential Grade (.044") in thickness and carry a lifetime warranty.
 - 2) All space heating/cooling systems must be sized using ACCA Manual J, GAMA H-22, equivalent, or an accredited design professional's and Manufacturer's recommendations.
 - 3) Thermal insulated windows and entry doors with a minimum U value of 0.35 or below.
 - 4) All buildings must have attic insulation of R-38 or better – New Construction and Rehabilitation. This standard does not apply to buildings entitled to claim Federal historic rehabilitation tax credits.
 - 5) For all new construction building(s), energy efficiency must be demonstrated by meeting the minimum standards established by:
 - i. LEED rating system;
 - ii. Bronze rating under the National Green Building Standards;
 - iii. Enterprise Green Communities;
 - iv. Equivalent under a system rating that is accredited by the American National Standards Institute. Any development wishing to use an alternative rating system to those listed is advised to consult with IHCD prior to application to determine if that rating system will be considered acceptable.
 - 6) Roofing products with anti-fungal shingles and a minimum 30 year warranty.
 - 7) Buildings and units must be identified using clearly visible signage and/or numbers, where unit and building identification signage must be well lit from dusk until dawn.
 - 8) Exterior railings shall be of heavy duty steel, aluminum, composite, or wood, materials capable of supporting all vertical and horizontal loads per Indiana Code.
 - 9) Where the source of power to clothes dryers is of combustible gasses, Excessive Flow Valves (EFVs) must be installed up-stream of the flexible gas line connectors.
 - 10) Exterior stairways, including the landings and approaches, shall be designed so that water will not accumulate on the walking surfaces.



- 11) All primary unit entry doors must have roof covering a minimum of three feet deep by five feet wide and contain a landing of the same minimum dimensions.
- 12) Fire places are prohibited in residential units.
- 13) Residential demising floors and walls separating units must be framed and insulated to prevent sound transmission of STC 50.
- 14) New cabinets must include dual slide tracks on drawers. Door fronts, styles, and drawer fronts must be made with quality materials other than particle board.
- 15) Clothes dryer vent transition duct from flex to hard duct shall be made through recessed clothes dryer boxes.
- 16) If a Development is going to utilize or store flammables, gasoline, and/or gasoline powered equipment, the gasoline, flammables, and/or gasoline powered equipment must not be stored in the same structure housing residential units unless separated by a four-hour fire wall and the storage space is not accessible from inside the residential structure. Exception: may be a two-hour wall if the storage facility is equipped with fire sprinkler system compliant with NFPA13R.
- 17) All new construction developments must be built in accordance with the accessibility requirements of the Fair Housing Amendments Act of 1988. Rehabilitation developments must also meet the design and construction standards of the Fair Housing Amendments Act of 1988 if the first use of the building was after March 13, 1991. Section 100.205 of the United States Department of Housing and Urban Development (HUD) regulation at 24 CFR part 100 implements the Fair Housing Act's design and construction requirements. These specific design and construction standards can also be found in the appropriate requirements of the International Building Code (IBC) with the ICC A117.1 Accessible and Usable Building and Facilities, Fair Housing Accessibility Guidelines (FHAG), and in HUD's Fair Housing Act Design Manual.
- 18) If a Development will receive federal funds (including HUD funding), the Development must be designed and built in accordance with the appropriate accessibility requirements of Section 504. These specific design and construction standards can be found in the Uniform Federal Accessibility Standards (UFAS) and at 24 CFR Part 8.
- 19) For rehabilitation of buildings constructed of a masonry shell, all exterior walls must contain an air barrier between the masonry and partition walls with properly aligned thermal and pressure boundaries , or be coated with materials that prevent air movement while allowing vapor transmission to escape the interior of the buildings shells. Additionally, there must be a 1" air space between the masonry and air barrier on the partition walls that are within the building shell. This standard does not apply to buildings entitled to claim Federal historic rehabilitation tax credits.



20) For developments using fluorescent, high pressure sodium, mercury vapor, and/or metal halide lamps/lighting, a proper collection and recycling program must be in place and the EPAs' Resource Conservation & Recovery Act must be followed for the proper disposal of the luminaries.

C. Minimum amenities for Age-Restricted Developments:

i) For New Construction:

- All common areas must be accessible, 100% of the units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1, and elevators must be installed for access to all units above the ground floor.

ii) For Rehabilitations & Adaptive Reuse:

- All common areas on the main floor must be accessible and 100% of the ground floor units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1. If the building(s) contain elevator(s)/lift(s) prior to rehabilitation, then the elevators/lifts must be maintained, all common areas must be accessible, and 100% of the units above the ground floor must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1.

Required Documentation: The Applicant must certify that the Development will comply with these requirements. Completed Form A (Application).

D. Minimum Unit Sizes

As provided in the Rental Housing Finance Application, the net square footage is the total livable space within the interior walls of the unit (this excludes garages, balconies, exterior storage and Development common areas).

Development Type	Eff./0 BR Units minimum net sq. ft.	One BR units minimum net sq. ft. (minimum 1 bath required)	Two BR units minimum net sq. ft. (minimum 1 bath required)	Three BR units minimum net sq. ft. (minimum 1 ½ baths required for all new construction)	Four + BR units minimum net sq. ft. (minimum 2 baths required for all new construction)
New Construction (except assisted living)	375 sq. ft.	675 sq. ft.	875 sq. ft.	1075 sq. ft.	1275 sq. ft.



or Housing First set-aside)					
Adaptive Reuse, Rehab/existing housing, or New Construction of assisted living or Housing First set-aside	350 sq. ft.	500sq. ft.	680 sq. ft.	900 sq. ft.	1075 sq. ft.

Required Documentation: Complete Form

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

E. Universal Design Features

- 1) Applicants must adopt a minimum of four universal design features from ***each*** Universal Design Column.
- 2) IHCD A encourages the adoption of universal design features best suited to the applicant’s proposed development. To that end, IHCD A will accept proposed universal design features beyond the provided list relevant and necessary to the applicant’s development. In submitting universal design proposals, the applicant must clearly describe the additional feature, provide justification for the necessity of its inclusion, and provide justification for the desired column classification. The evaluation, acceptance, and classification of universal design proposals is the sole discretion of IHCD A.
- 3) Column Classification of Universal Design Features:
 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, IHCD A encourages applicants to diversify their universal design portfolio to the greatest extent possible.



<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
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 corner 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
Curb cuts along an accessible route throughout the development in accordance with 2009 ICC A117.1 Section 406.13	Remote control heating and cooling in each unit	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	Two handrails installed on a stairway, so long as minimum stairway width requirement is still met.	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"	Levered hardware doors intended for user passage in each unit
A fixed or fold down seat in the	Kitchen Faucet with pull out spout	Electric outlets raised 15"



shower or a bathtub with a seat in at least one bathroom of 10% of the units	in lieu of side mount sprayer in each unit	minimum above the finished floor in each unit. Dedicated outlets and floor outlets are not required to comply with this section
Grab bars installed at tub/shower in 10% of the units (1 st 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
Bedroom on an accessible level in a multi-story unit	Corridor handrails installed in all corridors	Mailboxes located between 24"-48" above the ground
Chair lift, platform lift, or private residence elevator in a multi-story unit		Toilets with seat height at 17-19 inches
ADA push plates at exterior entrances		
ADA push plates at all common area bathrooms		

Required Documentation: Completed Form A (Application)

F. Smart Use Training

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



Required Documentation: Completed Form A (Application). The Smart Use Training curriculum for both onsite staff and tenants must be available for review at all times after the placed in service date, as well as supporting documentation demonstrating participation by all tenants and onsite staff.

G. Visitability Mandate

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

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

H. Threshold Requirements for Affordable Assisted Living

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

Part 5.4 | Special Needs Housing

All Developments must commit to setting aside 10% of the total units for occupancy by qualified tenants who meet the State’s definition of “special needs populations,” pursuant to Indiana Code 5-20-1-4.5.

Special needs populations include the following:

- 1) Persons with physical or developmental disabilities
- 2) Persons with mental impairments
- 3) Single parent households
- 4) Victims of domestic violence
- 5) Abused children
- 6) Persons with chemical addictions
- 7) Homeless persons
- 8) The elderly

Additional information on this requirement can be found in Section 5 of the IHEDA Rental Housing Tax Credit Compliance Manual.

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



Part 5.5 | Affordable Housing Database

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

Part 5.6 | Indiana Housing Online Management System- <https://ihcdaonline.com/>

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

Part 5.7 | Application Disqualification

Applications for 9% credits found to have five or more Technical Corrections will fail threshold and be removed from consideration.

Applications for 4% credits/tax-exempt bonds found to have five or more Technical Corrections will fail threshold and will be removed from consideration. The Applicant may reapply after 60 days by submitting a new complete application, including applicable fees.



Section 6 - Scoring Criteria

IHCDA has developed five categories of scoring criteria based on identified housing needs and its housing goals, as discussed in Section 2 of this Allocation Plan. If an Application satisfies all applicable threshold requirements, then it will be evaluated and scored based on the scoring criteria defined in this Section.

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

Applicants seeking a 9% RHTC allocation must score a total of 80 or more points under this Allocation Plan to meet threshold. Applicants seeking Private Activity Tax Exempt Bonds in conjunction with 4% RHTC will be subject to a minimum score established by IHCDA on a case-by-case basis, but in no case lower than 40 points.

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

If two or more developments receive an equal total score, the following tie breakers will be used to determine the reservation:

- a. First Tie Breaker: priority will be given to the development located in a community that has not received tax credits within the past three years. If a tie still remains;
- b. Second Tie Breaker: priority will be given to the development with the lowest average rent restriction across all units. If a tie still remains;
- c. Third Tie Breaker: priority will be given to the development that requests the lowest number of tax credits per unit. If a tie still remains;
- d. Fourth Tie Breaker: priority will be given to the development that competes under the highest number of set-asides.



Part 6.1 | Rents Charged

All Developments must meet the minimum set-aside requirement for Section 42 with an election of the 40-60, 20-50, or average income minimum set-aside.

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

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

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

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

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

IHEDA encourages owners to disperse all low-income units evenly among buildings and units in a mixed income, multi-building Development.

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

Maximum Number of Points	16
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Part 6.2 | Development Characteristics

A. Development Amenities

IHCDA will award up to a total of six points for selecting development amenities from the charts below:

- Two points for 10 or more amenities in Chart 1, with a minimum of two amenities required in each of the three sub-categories; and
- Two points for five or more amenities in Chart 2, with a minimum of two amenities required in each of the two sub-categories; and
- Two points for three or more amenities in Chart 3, with a minimum of one amenity required in each of the two sub-categories.

All amenities elected by the Applicant should conform to the needs of the Development and its residents. Design Amenities will be viewed as interchangeable within a column, provided the total number of design amenities selected in each column remains the same and the minimum number of amenities required for each subcategory in each column is met.

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

Chart 1: Common Area Total of 10 Amenities		
A	B	C
Tenant Entertainment: Minimum of 2 Amenities	Common Area Convenience Minimum of 2 Amenities	Common Area Architectural Minimum of 2 Amenities
1. Playground	1. One Parking Spot Per Unit	1. Multiple Building Designs
2. Bike Racks or Bike Storage Lockers	2. Designated Car Wash Facility	2. Multiple Floor Plans
3. Designated Garden Area	3. Garage	3. Steel Frame
4. Fenced dog walking area	4. Carport	4. Architectural Roofing Shingles
5. Community Room	5. Enclosed Bus Stop Shelter	5. 100% brick, stone or cement board exterior
6. Community TV	6. Comfort Conditioned Common Areas	6. Metal Roof Covering
7. Designated Walking/Jogging Path	7. Daycare Center	7. Slate Roof Covering
8. Billiards Table	8. Beauty Salon/Barber Shop	8. Sound-Proof Unit Separation Assemblies
9. Basketball Court	9. Laundry Facilities	
10. Fenced in Tennis Court	10. Manager On-Site	
11. Gazebo	11. On-Site Recycling Service	
12. Picnic Area with Permanent Grill		
13. Sand Volley Ball Court		
14. Computer Center		
15. Exercise Room		
16. Theater Room		



Chart 2: Apartment Unit Total of 5 Amenities	
A	B
Unit Interior Architectural: Minimum of 2 Amenities	Unit Convenience: Minimum of 2 Amenities
1. Window Blinds or Curtains	1. Garbage Disposal
2. Hardwood or Tile Floors	2. Door Bells
3. Individual Porch/Patio/Balcony	3. Cable Hook-Ups
4. Walk-In Closets or closets with high/low closet organizers	4. Motion Detector Lights for Each Unit
5. External Individual Attached Storage	5. LED lighting
6. Pressure relief vents for all bedrooms, unless all bedrooms contain return air vents	6. Clothes Washer/Dryer
7. Kitchen Pantry	7. Built-In Dishwasher
8. At least 5% of the units are 3 bedrooms	8. Ceiling Fan
9. At least 5% of the units are 4 bedrooms or larger	9. Charging outlets with USB ports
10. Attached garage	10. Microhoods or microwaves provided in all units
11. Ceiling lights in each bedroom	11. Sliding barn doors for all interior doors
12. Coat or linen closet	
13. Kitchen cabinets with pull shelves in lower cabinets and lazy-susans in corner cabinets	

Chart 3: Safety & Security Total of 3 Amenities	
A	B
Security: Minimum of 1 Amenity	Life Safety Minimum of 1 Amenity
1. Restricted Access to Property/Gated Community	1. Emergency Pull Cord/Call Button
2. Security Camera at all Entrances	2. Fire Extinguishers
3. Site/Parking Area Lighting	3. Fire Sprinkler System (only if not required by code; see definition in Appendix G)
4. Security Cameras at On-Site Bus Stops	4. Documented Fire Extinguisher Training for Tenants conducted by a Professional in Fire Fighting
5. Intercom System/Installed Call System	5. Kitchen Fire Blanket
6. Peep Hole on Exterior Doors	6. Emergency Escape Ladders
7. Keyless door locks (ex: proximity sensor or fingerprint scanner)	7. Tenant Fire Safety Education/Training
8. Bump-Proof Entry Door Locks	8. Posted Speed Limit & "Caution Children Playing" Signs
9. Steel Entry Doors & Frames	9. Fenced-In Retaining Ponds
10. Security Alarm (Doors)	10. Emergency Lighting
11. Security Alarm (Windows)	11. Showers with a minimum area of 9 sq. ft.
12. LED wall pack lighting on each building	

Required Documentation: Completed Form A (Application)

Maximum Number of Points	6
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B. Accessible or Adaptable Units

IHCDA encourages the adoption of additional accessible or adaptable units. Applicants achieving greater than minimum threshold requirements (5% of total units in rehabilitation/adaptive reuse projects or 6% of total units in new construction projects) shall be eligible to receive for additional points.

For purposes of this scoring category, the terms “accessible” and “adaptable” are defined as follows:

- An accessible unit must be constructed as a “Type A” unit as defined in the International Code Council’s Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1002).
- An adaptable unit must be constructed as a “Type B” unit as defined in the International Code Council’s Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1003).

The allocation of such application points will be designated as follows:

Accessible/Adaptable Unit Point Designation	1 Point	2 Points	3 Points	5 Points
Family Developments				
Rehabilitation/Adaptive Reuse	6.0 % - 6.9%	7.0 % - 7.9%	8.0 % - 8.9%	9.0 % or greater
New Construction	7.0 % - 7.9%	8.0 % - 8.9%	9.0 % - 9.9%	10.0 % or greater
Age-Restricted Developments				
Rehabilitation/Adaptive Reuse (without existing elevator)	7.0 % - 7.9%	8.0 % - 8.9%	9.0% - 9.9%	10.0 % or greater
New Construction or Rehabilitation/Adaptive Reuse (with existing elevator)				100%

(Percentages are represented as the percentage of total proposed units classified as accessible or adaptable)



Applicants must calculate accessible /adaptable unit percentages as follows:

$$\frac{\text{Total Accessible or Adaptable Units in Proposed Development}}{\text{Total Units in Proposed Development}} = \%$$

Example: Rehabilitation, Age-Restricted Development: $\frac{17 \text{ Accessible and Adaptable Units}}{212 \text{ Total Units}} = 8.019\% \Rightarrow 2 \text{ points}$

Limitations for Developments of 16 Units or Less: Applicants proposing Developments of 16 units or less must implement at least 2 accessible or adaptable units to be eligible for points.

Maximum Number of Points 5

C. Universal Design Features

Applicants are encouraged to adopt universal design features beyond the minimum threshold requirement. The Applicant will be awarded points as follows:

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

Please refer to the Section 5.3E for a listing of universal design feature options.

Required Documentation: Completed Form A (Application)

Maximum Number of Points 5

D. Vacant Structure

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



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

If any space in the existing structure will be used for a purpose other than housing, the applicant must state what the intended use of the remainder of the vacant structure will be. Eligible structures must contain a rental housing tax credit unit in a qualified rental housing tax credit building.

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

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

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

Maximum Number of Points	6
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E. Development is Historic in Nature

At least 50% of the total units must be located in a building that falls into one of the categories below in order for a Development to received points in this category.

Developments with one of the following will receive two points:

- A building that is listed on the National Register of Historic Places; or
- A building that is classified as a contributing resource to a district that is listed on the National Register of Historic Places, or
- A building that is individually listed on the Indiana Register of Historic Sites and Structures; or
- A building that is classified as a contributing resource to a district that is listed on the Indiana Register of historic Sites and Structures; or
- A building that received a local landmark designation by a local historic preservation commission through an ordinance; or



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

Required Documentation: Evidence for one of the above options must be provided in Tab P. In all options for points, documentation from a county interim report/sites and structures survey is not sufficient documentation of historic designation status and will not be accepted. Only one option will be accepted for points, for example, a building individually listed on the Register and is contributing to a district listed on the Register will not receive more than two points for this question in this scoring category.

- 1) For the National Register of Historic Places provide a PDF printout from the National Park Service’s searchable online database verifying the building is listed on the Register <https://npgallery.nps.gov/nrhp>; or
- 2) For the National Register of Historic Places provide a PDF printout from the National Park Service’s searchable online database verifying the building contributes to a district that is listed on the Register <https://npgallery.nps.gov/nrhp>; or
- 3) For the Indiana Division of Historic Preservation and Archaeology provide a PDF printout from the Indiana Department of Natural Resources’ Indiana State Historic Architectural and Archaeological Research Database (SHAARD) searchable online database verifying the building is listed on the State Register <https://secure.in.gov/apps/dnr/shaard/welcome.html>; or
- 4) For the Indiana Division of Historic Preservation and Archaeology provide a PDF printout from the Indiana Department of Natural Resources’ Indiana State Historic Architectural and Archaeological Research Database (SHAARD) searchable online database verifying the building contributes to a district that is listed on the State Register <https://secure.in.gov/apps/dnr/shaard/welcome.html>; or
- 5) For a building designated as a local landmark provide a copy of the local designation ordinance passed by the local historic preservation commission/board of a Certified Local Government as designated by the Indiana Division of Historic Preservation and Archaeology.
- 6) For a building contributing as a resource in a district designated as a local landmark, provide (1) a copy of a local designation ordinance passed by the local historic preservation commission/board of a Certified Local Government as designated by the Indiana Division of Historic Preservation and Archaeology and (2) include a copy of the district map from the nomination clearly identifying the property as a contributing structure or a letter from the Indiana Division of Historic Preservation and Archaeology or local historic preservation commission stating that the property is contributing to the district.



- 7) For buildings not listed on the National Register but have received an approved Part 1 application, provide a copy of the historic application and the approved Part 1 application signed by the Indiana Department of National Resources Division of Historic Preservation and Archaeology.

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

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

Maximum Number of Points	3
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F. Preservation of Existing Affordable Housing

Points will be awarded up to a maximum of six points in this category as follows:

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

- a. Six points will be awarded for an Application that proposes the preservation of an existing affordable housing Development assisted with Rental Housing Tax Credits where the 15 year compliance period will/has expire(d) in the current year or earlier (the extended use agreement must still be in effect).

Required Documentation: A statement from the Applicant that provides the following information must be submitted in Tab P:

- All current Building Identification Numbers (BIN) for the Development;
- The name(s) of the Development during the Compliance Period; and
- The address of all buildings in the Development.

OR

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



Required Documentation: Third-party documentation from the entity enforcing affordable housing requirements evidencing the rent and income restrictions applicable to such property including the term of such restrictions must be submitted and placed in Tab P.

OR

- c. Four points will be awarded for an Application that proposes the preservation of any other affordable housing Development.

Required Documentation: Third-party documentation from the entity enforcing affordable housing requirements evidencing the rent and income restrictions applicable to such property including the term of such restrictions must be submitted and placed in Tab P.

Maximum Number of Points	6
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G. Infill New Construction

Six points will be awarded to applications that meet IHCD’s criteria for infill. IHCD 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. This category includes demolition and new construction projects that meet the attributes below.

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 5 years; or
- Existing structures that will be rehabilitated.

To receive six points, the development must meet each of the following infill attributes:

Infill Attributes
The site must be surrounded on at least two sides with adjacent established development. Parks and green space area may qualify as established development, provided that they are part of a master plan or recorded instrument. IHCD will look at the entire development site for phased developments.
The site must maximize the use of existing utilities and infrastructure.
At least one side of the development must be adjacent to occupied residential development, operating commercial development, active public space, or another active community activity.



For projects with multiple buildings, at least 50% of the total project units must qualify as infill in order to receive points in this category.

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

Required Documentation: Place all documentation in Tab P.

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

Maximum Number of Points 6

H. Promotes Neighborhood Stabilization

Four points will be awarded to a proposed development that assists in the stabilization of a neighborhood by demolishing or redeveloping property that has been foreclosed, abandoned, affected by a disaster, or that is considered greyfield redevelopment. At least 50% of the total project units must qualify in order to receive points in this category.

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

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

OR

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

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



OR

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

OR

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

- Must be at least 90% vacant;
- At least 25% of the site must be comprised of paved infrastructure / parking area;
- Eligible retail centers are old shopping centers, strip malls, or businesses that are no longer operating and leave vacant shells; and
- Site must have underlying utilities.

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

Required Documentation: Place all documentation in Tab P.

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

Maximum Number of Points 4
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I. Community Revitalization Plan

Four points will be awarded if there is an adopted Community Revitalization Plan that clearly targets the specific neighborhood in which the Development will be located. A community revitalization plan may include, but is not limited to, a comprehensive plan, downtown master plan, neighborhood plan, economic development plan, etc.

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

The submitted plan must include each of the following:

- i. Plan must be dated and/or most recently updated/amended within 15 years prior to the application submission date;
- ii. A clearly delineated target area that includes the proposed project site;
- iii. Detailed policy goals, which must include the rehabilitation or production of rental housing;
- iv. Implementation measures for the achievement of such policies and housing activities; and
- v. An assessment of the existing conditions of the community.

The following are not eligible:

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

For scattered site projects, if not every community has a qualifying plan, points will be determined by taking the average by unit.

Required Documentation: Place all documentation in Tab P.

- Documentation of the process used to develop and adopt the plan;
- Details regarding community input and public meetings held during the creation of the plan must be included in the application;
- A copy of the entire plan;
- A map of the area targeted by the plan identifying the location of the project; and
- A narrative listing the location and page number of all required items within the plan.

Maximum Number of Points 4



If the plan has been adopted or certified by a local unit of government and meets items i. through v. above, an additional one point will be awarded. For scattered site projects, to receive this additional point all communities must have an eligible plan and each plan must be adopted or certified.

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

Required Documentation: Place all documentation in Tab P.

- Documentation of the process the local unit of government used to develop and adopt/certify the plan; and
- Written approval from the local unit of government verifying the adoption or certification of the plan.

Maximum Number of Points 2

J. Federally Assisted Revitalization Award

Up to four points will be awarded if the proposed project is a phase or component of a:

1. Choice Neighborhoods revitalization initiative; OR
2. HUD designated Promise Zone and Applicant has a Certification of Consistency with Promise Zone Goals signed by the Promise Zone lead entity; OR two points if in a HUD designated Promise Zone but Applicant does not have a Certification of Consistency; OR
3. New Market Tax Credit Development; OR
4. IHCD's Blight Elimination Program or the Indiana Office of Community & Rural Affairs (OCRA) Blight Clearance Program, where at least 50% of the development units or square footage is located on a site(s) that was assisted through the program; OR two points if at least 25% of the development units or square footage is located on a site(s) that was assisted through the program; OR



5. Similar Federal Program that has the following components (Rental Assistance Demonstration (RAD), HOME, and CDBG do not qualify):
 - i. Be part of a mixed income or mixed use phased community with a significant market component;
 - ii. Facilitate the de-concentration of poverty; and
 - iii. Provide for community improvements or amenities, which may include but are not limited to, new or improved public infrastructure, green-space, improved transportation, quality of life enhancements, or other improvements benefiting the community.

Required Documentation: Place all documentation in Tab P.

- A copy of the Grant/Award Agreement, which identifies the entity receiving the grant and the amount of the grant, and additional documentation reflecting the time limits for use of the grant;
- A letter from the Executive Director of the identified entity certifying that:
 - The housing units are an essential element of that Plan; and
 - The Tax Credits for the development proposed in the application are an essential component of the financing plan for the grant.
- For BEP or BCP awards, evidence that the City received the award and that the proposed land was part of it.
- For Promise Zone, a copy of the Certification of Consistency with Promise Zone Goals and Implementation.

Maximum Number of Points 4

K. Off-site Improvement, Amenity, and Facility Investment

Four points will be awarded if an investment of resources is provided that will result in offsite infrastructure improvements within a ¼ mile radius of the project site(s) and/or the development of parks, green space, shared amenities, or recreational facilities within a ¼ mile radius of the proposed project site(s) that will serve the tenant base for the subject project. The proposed improvements, amenities, and/or facilities must be completed prior to the proposed placed in service date for the project, but no more than two years before the application submission date. The development cost and source of funding associated with the development of the improvements, amenities, and/or facilities must be mutually exclusive of the Development cost and sources of funding for the subject property. If the Development cannot move forward without the improvement, the improvement will not qualify.



For the purposes of this scoring category, improvements must be outside the footprint of the building and outside the boundary of the Development parcel to qualify.

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

Examples of improvements, amenities, and facility investment of resources include, but are not limited to, the following:

- Reconstruction of existing roads and streetscapes;
- Reconstruction of vacant or blighted land with new infrastructure that promotes comprehensive revitalization such as new residential blocks and streets;
- Development of parks, green space or walking trails on a master plan development site;
- Development of community centers or similar facilities that promote cultural, educational, recreational, or supportive services for a community;
- Construction of sidewalks or streetscape adjacent to the property; or
- Construction of shopping or retail center adjacent to the property.

To qualify for points, the minimum cost for the improvement must meet or exceed the amount listed below based on the “Development Location” set-aside requirements defined in Section 4.4 of the QAP:

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

Required Documentation: Place all documentation in Tab P.

- Conditional commitment of funds describing the improvements, including sources and uses and estimated timeline for completion, and confirming the cost of improvements within the ¼ mile radius of the development meet the minimum cost requirements above.
- Map showing a ¼ mile radius and the location and description of improvements to the site. For scattered site properties, applicant must ensure that IHEDA can determine a ¼ mile radius from each site.
- A narrative, which includes how the investment will benefit the tenants.
- Any improvements within a public right of way must demonstrate approval from local jurisdiction.

Maximum Number of Points 4



L. Tax Credit Per Unit

Up to two points will be awarded for Developments that implement cost containment measures. Developments will compete against each other based on tax credit per program assisted unit.

Points will be awarded based on the following distribution.

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

Maximum Number of Points 2

M. Tax Credit Per Bedroom

Up to two points will be awarded for Developments that implement cost containment measures. Developments will compete against each other based on tax credit per bedroom (only counting bedrooms in program assisted units).

Points will be awarded based on the following distribution.

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

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

Maximum Number of Points 2

N. Internet Access

Up to four points will be awarded for Developments that provide internet access to residents. An application can score points in one of the following ways:

- One point if the application commits that each unit will be provided with the necessary infrastructure for high-speed internet/broadband service; OR
- Two points if the application commits that each unit will be provided with free high-speed internet/broadband service; OR



- Three points if the application commits that each unit will be provided with free high-speed internet/broadband service and such access will be Wi-Fi.
- One additional point will be awarded if the application qualifies for one of the three point categories above AND free Wi-Fi access is provided in a common area, such as a clubhouse or community room.

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

Maximum Number of Points 4

Part 6.3 | Sustainable Development Characteristics

A. Building Certification

Up to two points will be awarded if the Development commits to exceeding the minimum green standards and all buildings register and receive one of the following certification(s). For Developments with multiple buildings, all buildings must meet one of the eligible certifications below to qualify for two points.

Certification	Points
LEED Silver Rating	2
Silver Rating National Green Building Standard	2
Enterprise Green Communities	2
Equivalent under a rating for systems that are accredited by the American National Standards Institute may earn equivalent points for equivalent end results of the above listed items.*	2

***Applicants wishing to use an alternative to those listed must consult with IHCD prior to application to verify if that system will be accepted**

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

Maximum Number of Points 2



B. Water Conservation

To promote sustainable water use practices, one point will be awarded for installing one of the following types of high efficiency toilets. These items are interchangeable and the Applicant does not have to select a particular option at the time of initial application:

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

Required Documentation: Completed Form A (Application). The Green Professional chosen for the project must be part of the design team (but a separate person from the project architect or engineer) and that person must sign off on all energy efficiency/water conservation items that are committed to in the application. Place in Tab J.

Maximum Number of Points 1

C. Desirable Sites

Developments that will be located in close proximity to and that are accessible to desirable facilities tailored to the needs of the Development’s tenants will be awarded points. For scattered site projects, points will be calculated by taking the average by unit.

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

Location Efficient Projects

This scoring category promotes Developments that provide nearby access to healthy food options, community facilities, services, healthcare and retail centers.

Up to three points will be awarded to projects that are located within a ½ mile radius of at least three facilities from the list below (from a minimum of two categories) or within a one mile radius of at least five facilities from the list below (from a minimum of two categories). One of the facilities must be a store with fresh produce, such as a supermarket or grocery



store to qualify for the maximum points in this category. Developments without access to fresh produce may receive partial points.

Stores with fresh produce must:

- **Be currently established at the time of application**
- **Have a physical location**
- **Have regular business hours**

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

Civic or Community Facilities	Services	Retail	Healthcare
Licensed childcare	Bank	Supermarket	Pharmacy
Community or recreation center	Restaurant, café, diner	Other food stores with fresh produce (as defined above)	Doctor’s or nurse practitioner’s office
Entertainment venue	Laundry or dry cleaner	Clothing retail	Optometrist
Education facility (including K-12, university, adult education, vocational school or community college)	Gym, health club, exercise studio	Other retail	Dentist
Cultural arts facility (museum, performing arts theater, etc.)	Licensed adult or senior care		Physical therapy office
Police or Fire Station			Clinic
Public library			Hospital
Public park			
Post office			
Government office that serves public onsite			
Social services center			



Transit-Oriented Development

IHCDA will award two points if a Development is located within a ½ mile radius of fixed transit infrastructure.

- “Fixed transit infrastructure” is defined as light rail station, commuter rail stations, ferry terminals, bus rapid transit stations, streetcar stops, bus stops or major bus transit centers.
- If the fixed transit infrastructure does not yet exist, the transit investment must be planned, approved and funded at the time of application. Transit investments that have been funded but not completed will be considered. Verification must be provided.
- Rural and small city sites may qualify for this category if applicants can show documentation of an established point-to-point transit service that provides pick up service to within a ¼ mile radius of the site.

Opportunity Index:

The proposed Development Site may earn up to six points (with one point for each factor listed below) for proximity to opportunities such as healthcare, higher education, and livable wages. Poverty rates and household income will be based on the most recent data from the US Census. (https://www.census.gov/data-tools/demo/saipe/saipe.html?s_appName=saipe&map_yearSelector=2017&map_geoSelector=aa_c).

Points will be awarded if, as of the application due date, the proposed Development is located within:

- High income: A county at the top quartile for highest median household income in the state, if the development is not within a QCT.
- Low poverty: A county at the bottom quartile for poverty rate in the state, if the development is not within a QCT.
- Low unemployment rate: A county that has an unemployment rate below the State average. <http://www.stats.indiana.edu/maptools/laus.asp>
- Access to primary care: A county with a ratio of population to primary care physicians of 2,000:1 or lower. <http://www.countyhealthrankings.org/app/indiana/2018/measure/factors/4/data>
- Access to post-secondary education: A development that is within a one mile radius of the physical location of a university, college, trade school, or vocational school.



Classes must be held onsite at this location in order for the school to qualify. The radius may expand up to three miles if the development qualifies for transit oriented development points.

- Access to employment: A development that is within a one mile radius of one of the 25 largest employers in a county. The radius may expand up to three miles if the development qualifies for transit-oriented development points.
<http://www.hoosierdata.in.gov/buslookup/BusLookup.aspx>
- One point will be deducted if the proposed site falls within a census tract that is defined as a Racially/Ethnically Concentrated Area of Poverty (“R/ECAP”) by HUD’s Affirmatively Furthering Fair Housing mapping tool at <https://egis.hud.gov/affht/#>.
 - This one point deduction will not apply to developments competing in the Preservation set-aside.
 - This one point deduction will result in negative total points under the opportunity index scoring category if an application does not receive any of the opportunity index points above and loses a point for being in a designated R/ECAP. The lowest an application can score under opportunity index is negative one points.

Undesirable Locations:

When mapping the locations of community facilities and services for desirable sites points, all undesirable facilities must be included as well. One point may be deducted per undesirable feature present if the proposed development is found to be within a ½ mile radius of facilities that may pose a public or environmental health risk. The following is a non-exhaustive list of facilities for which 1 point may be deducted if in close proximity.

*If the development includes the remediation of these issues (including brownfield or greyfield redevelopment) points will not be deducted.

Undesirable locations/facilities are defined as any location that produces objectionable noise, smells, excessive traffic, hazardous activity, etc., including but not limited to: junkyards, hazardous chemical factories, hazardous heavy manufacturing factories, power plants or stations, water/sewage treatment facilities, petroleum or other chemical storage, and railroads. The volume of daily train traffic can be determined by visiting the following websites:

- <http://safetydata.fra.dot.gov/officeofsafety/publicsite/crossing/Xingqryloc.aspx>
- <http://safetydata.fra.dot.gov/officeofsafety/publicsite/crossing/crossing.aspx>



Other undesirable conditions/facilities not on the list above but noted in the market study may also result in negative points.

Required Documentation: Completed Form A (Application). A site map indicating the specific locations of each desirable facility/activity, as well as all undesirable facilities/activities must be submitted. The map must contain a key stating the type of facility/activity identified, and must include the following:

- Location of site including an indication of major access roads;
- Indication of distances within a ½ mile and 1 mile radius indicated on the map;
- Areas of residential development adjacent to or near the site;
- Indication of any significant industrial or commercial development; and
- All desirable facilities or activities, including if applicable location of employers and/or educational facilities to claim opportunity index points.

Scattered site developments must submit the required information for each site. Points will be awarded based on the average for each unit.

The market study must contain current photos of both the inside and outside of grocery stores that are being claimed for fresh produce. Stock photos will not be accepted. Inside photos are not required if the grocery is a well-known entity such as Kroger.

NOTE: If map(s) containing the above requirements are located within the market study, no additional map(s) is required. However, the Applicant must indicate the page number(s) the information can be found within the market study on the Application's self-score sheet Notes section (Form A). See the market study requirements in Schedule C.

Maximum Number of Points	11
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Part 6.4 | Financing & Market

A. Leveraging Capital Resources

Points may be awarded if the Development has received a firm commitment that does not require any further approvals for non-IHCDA public or private funds to be used as capital funding to specifically enhance and/or create significant cost savings for the Development's capital budget.

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



- The outstanding principal balances of prior direct federal debt or subsidized debt that has been or will be assumed in the course of an acquisition/rehabilitation transaction.
- Funds from a local community foundation.
- Funds already awarded under programs such as local HOME and CDBG funds or the Affordable Housing Program of the Federal Home Loan Bank (AHP).
- Waivers resulting in quantifiable cost savings that are not required by federal or state law, such as tax abatement.

Funds structured as loans must have below market interest rates. Only permanent loans, not short term loans such as construction or bridge loans, will qualify in this category.

Points will be awarded based on amount of funding/total development cost:

% of Total Development Cost	Point(s)
1%-2.49%	1
2.5%-3.99%	1.5
4%- 5.49%	2
5.5% -6.99%	2.5
7%-8.49%	3
8.5%-9.99%	3.5
10% or greater	4

Required Documentation: A letter from the appropriate authorized official approving the funds. The letter must include: 1) the approved funding specifically for the proposed Development; and 2) the amount of funding (if tax abatement, the local unit of government must estimate the monetary amount).

If the principal balances of any prior publicly funded or subsidized loans are to be assumed in the course of a proposed acquisition, verification of approval of the loan assumption or other required procedure by the agency initially approving the subsidy will be required.

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



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

Maximum Number of Points	4
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B. Leveraging Opportunity Zones

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

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

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

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

- Commitment letter from the Opportunity Zone Fund.

Maximum Number of Points	3
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C. Non-IHEDA Rental Assistance

Developments that have received a commitment of non-IHEDA funded rental assistance from a federal or state program will receive up to two points. The commitment can be conditional based on receipt of the tax credits.

The rental assistance must meet the following criteria:

- Must be part of a federal or state rental assistance program; and
- Must be project-based rental assistance; and
- The term of the rental assistance agreement must cover the 15 year compliance period or have options for annual renewals; and
- The rental assistance agreement must cover at least 20% of the units to receive two points OR must cover 10.00-19.99% of the units to receive one point.

Required Documentation: Commitment or conditional commitment letter from the funding agency. The letter must demonstrate that the rental assistance will meet all of the requirements outlined above. Place in Tab B.

Maximum Number of Points	2
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D. Previous 9% Tax Credit Funding within a Local Government

If a Development’s proposed site does not fall within the boundaries of a Local Government in which there has been a 9% RHTC allocation within the last three allocation years as of the application due date, the proposed Development will receive three points.

If a Development's proposed site falls within the boundaries of a Local Government in which there has been a 9% RHTC allocation within the last three allocation years, the proposed development will receive points corresponding to the total number of RHTCs units financed within the boundaries of that city/town. For projects in multiple cities/towns, points will be calculated by taking the average by unit.

Total Number of RHTC Units	Points	Total Number of RHTC Units	Points
0 units	3.0 pts	126-150 units	1.50 pts
1 – 25 units	2.75 pts	151-175 units	1.25 pts
26-50 units	2.50 pts	176-200 units	1.00 pts
51-75 units	2.25 pts	201-225 units	0.75 pts
76-100 units	2.0 pts	226-250 units	0.5 pts
101-125 units	1.75 pts	251 or more units	0 pts

Maximum Number of Points	3
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E. Census Tract without Active Tax Credit Developments

If the proposed project is in a Census Tract without any active RHTC developments (9% or 4%) of the same occupancy type (age-restricted, family, supportive housing, or assisted living), the project will receive three points. Integrated supportive housing developments will be counted as supportive housing for purposes of this scoring category.

If the proposed project is in a Census Tract with only one active RHTC development (9% or 4%) of the same occupancy type (age-restricted, family, supportive housing, or assisted living), the project will receive 1.5 points. Integrated supportive housing developments will be counted as supportive housing for purposes of this scoring category.

If the proposed project qualifies under the Preservation set-aside and that project is the only active tax credit development currently in the census tract, then the application will



receive three points. In this way, IHEDA rewards applications that seek to preserve the only existing tax credit housing in the area.

For purposes of this scoring category, an active tax credit development is defined as a development that is in its 15 year compliance period or that has received a reservation of credits but has not yet placed-in-service. For Developments with units in multiple census tracts, points will be calculated by taking the average by unit.

Required Documentation: Completed Form A (application).

Maximum Number of Points	3
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F. Housing Need Index

The proposed Development may earn up to three points (with one point for each item below) if the area to be served demonstrates a need for affordable housing units.

Points will be awarded if as of the application due date, the Development is located within:

- A county experiencing population growth, based on data from 2010-2017 pulled from STATS Indiana, as listed below. A county is included in this list if it (1) experienced positive growth of at least 5% between 2010 and 2017 and (2) experienced positive growth between 2016 and 2017, the last year for which data is currently available. One point.

Bartholomew	Johnson
Boone	LaGrange
Clark	Marion
Hamilton	Monroe
Hancock	Tippecanoe
Hendricks	

- A county in which 45% or more of renter households are considered rent burdened, based on [HUD's Comprehensive Housing Affordability Strategy](#) (CHAS) data. Rent burdened is defined as paying greater than 30% of household income on housing. One point.
- A county with less than 50 units for every 100 extremely low-income (30% AMI) renter households per the "Mapping America's Rental Housing Crisis" tool at <http://apps.urban.org/features/rental-housing-crisis-map/>. To be eligible for points, a Development must be creating units that will be rent-restricted at or below 30% AMI. One point.

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

Maximum Number of Points	3
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G. Lease Purchase

Developments that will offer homeownership opportunities to qualified tenants after the initial 15 year compliance period (see IRS Rev. Ruling 95-49) will be eligible for two points. These points will be available only for single family, townhouse, or duplex units.

To qualify for these points:

- 100% of the units in the proposed development must be structured as lease purchase units and meet these requirements; and
- At least 50% of the units must be three bedroom units or larger; and
- Developments that are electing to be age-restricted or that are competing in the Housing First set-aside are not eligible for these points; and
- Applicants must have a viable homeownership strategy for residents who inhabit the units during the compliance period. Appropriate services must be provided for the residents. Please refer to the IHCD's RHTC Compliance Manual Part 6.8.D (Schedule A) for additional Lease Purchase Program requirements.

Required Documentation: The following must all be placed in Tab R:

1) A detailed outline of the lease-purchase program. The plan must include a limited partnership ownership exit strategy. The strategy must incorporate an exit strategy, homeownership counseling and a minimum amount of funds set-aside by the owner to assist the resident in the purchase; and

2) The lease-purchase agreement, signed and agreed to by all parties, with the non-profit organization that will implement the lease-purchase program.

Maximum Number of Points	2
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Part 6.5 | Other

A. Certified Tax Credit Compliance Specialist

- 1) Management: Points will be awarded if the Management Entity contact identified in the Development Contact page in Form A has been certified as a tax credit compliance specialist under one of the designations listed in the chart below. Property management consultants or subcontractors do not qualify as an eligible Management Entity. The Management Entity contact identified in Development Contact page in Form



A must serve in a supervisory capacity and must be a different person than the designated Owner or Developer contact.

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

- 2) Owner: One point will be awarded if the owner(s) has been certified as a tax credit compliance specialist under the following certified trainings. An owner is defined as a principal of each general partner identified in the owner information chart within Form A. For non-profit organizations, the executive director/president will be considered the owner.

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

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

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

Maximum Number of Points	3
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- B. 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)

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.

"Owned and controlled" means having for: (i) owners and developers: (a) ownership of at least 51% of the enterprise (stock of a corporation; interest in a limited liability company; or general partner of a limited partnership); (b) control over the management and active in the day to day operation of the business; (c) an interest in the capital, assets and profits and losses of the business proportional to the percentage of ownership; and (d) materially participates in the Development or management of the Development; or (ii) contractors and management entities: (a) ownership of at least 51% of the enterprise (stock of a corporation; interest in a limited liability company; or general partner of a limited partnership); (b) control over the management and active in the day to day operation of the business; and (c) an interest in the capital, assets and profits and losses of the business proportional to the percentage of ownership. Points will be awarded with one point per certification submitted. Points will be awarded as follows:

*Management Entity must have control over all management activities for the Development. The management agent listed on the application must be used by the owner of the Development for at least two years after Development's completion unless the agent



is guilty of material non-performance of duties. Upon notification to IHCD, a substitution of management agent prior to the two-year period may be permitted in the sole discretion of IHCD.

A non-profit entity is eligible to receive points as an Owner/Developer, General Contractor, or Management Entity if a minimum of fifty-one percent (51%) of the members of the Board of the Directors are minorities, females, or persons with disabilities as evidenced by the organization's By-Laws, Charter, or Articles of Incorporation. Furthermore, the organization must be a 501(c)(3) tax-exempt nonprofit organization which is also serving as the applicant, sponsor, or developer for the project.

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

Firm/Entity	4% - 7.99% of Total Development Cost	>8% of Total Development Cost
Sub-contractors	0.5 point	1 point

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

Eligible Certification Summary Table		
Certification	Certifying Agency	Website
MBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
	Indiana Minority Supplier Development Council	http://www.imsdc.org
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm



DBE	Indiana Department of Transportation	http://www.in.gov/indot/2748.htm
VOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/
SDVOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/

Required Documentation: Completed Form A.

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

Maximum Number of Points	4
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C. Unique Features

Points may be awarded if the Development has unique features that contribute to the Development of affordable housing in the community where the Development is located. This may include the unit and common area amenities, financial structure, community support, location, and/or services offered to all residents. Points are awarded relative to other Developments being scored during each Application cycle and are awarded in IHCD's sole and absolute discretion. The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of four points.

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

Required Documentation: Applicant must submit Unique Features Narrative, not to exceed one page, which is separate from the three-page Narrative Summary identifying all features for IHCD to consider as unique. Place in Tab A.

Maximum Number of Points	4
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D. Tenant Investment Plan

Points in this category will be awarded based on the overall Tenant Investment Plan in regards to each level listed. Programs must have a combination of Level 1, 2 **and** 3 to be eligible to receive the maximum of six points.



Level 1 – This level provides goods or services as a tenant incentive and awareness of programs and assistance offered in the community. Applicants are encouraged to network with local businesses and/or service agencies to offer unique but valuable incentives to current and/or future tenants.

Services within this level are 0.25 points each.

Level 2 – This category may target services for more specific tenant needs such as education, classes or services that will help tenants live a more self-sufficient and healthy lifestyle. This level requires ongoing tenant participation and/or program management.

Services within this level are 0.5 points each.

Level 3 – This category offers extensive services to provide tenants with assistance, programs and tools to maintain and/or improve their lifestyle within the community. This category requires both extensive tenant participation as well as management maintenance.

Services within this level are 1 point each.

Tenant Investment Plan Commitments		
Level One Services	Level Two Services	Level Three Services
0.25 Points per Service	0.5 Points per Service	1 Point per Service
Food Pantry Referral	Financial Literacy	Transportation
Clothing Pantry Referral	Computer Training	Parenting Classes/ Early Childhood Development
2-1-1/ Information & Referral	Credit Counseling	Light Housekeeping
Smoking Cessation	Nutrition Classes	Outpatient Rehab
Discount Program	Exercise Classes	Physical Therapy
Coupons to Local Public/ Private Facilities	Resume Building	Medication Delivery
Blood Pressure Screening	GED/Adult Education	Home Healthcare
Music Ministry	Art Classes	Dental Services
Writer’s Group	Food Cultivation or Preparation	Assisted Living
Stress Management	Sports League	Alzheimer’s Care
Quarterly Resident Meetings	Tax Preparation Assistance	Vocational Rehab Services
Holiday Events	Medicaid Waivers	Adult Daycare/Eldercare



Recycling Program	Animal Therapy	Substance Abuse Treatment
Resident Liaison	Employment Services	Case Manager
Residents Association	Meals on Wheels	TIP Coordinator
Mentor Program	HIV Counseling, Testing & Education	Utility Assistance
Monthly Development Newsletter	Family Caregiver Support Program	
Virtual Bowling/Golf League	Symptom Management	
Monthly Activities Program		
Neighborhood Watch Program		
Neighborhood Stabilization Program		

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

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

Maximum Number of Points	6
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E. Integrated Supportive Housing

Developments proposing to create Integrated Supportive Housing, defined as housing in which **20-25%** of the units, but no less than seven units, are designated as supportive housing for persons experiencing homelessness, will receive up to six points. Developments proposing that 100% of the units will be supportive housing are eligible to compete in the Housing First Set-aside but are **not** eligible for points in this evaluation category.

To be eligible for the maximum six points, applicants must successfully fulfill all requirements of the Indiana Supportive Housing Institute for the specific development for which they are applying. The Indiana Supportive Housing Institute provides training and support to organizations applying for RHTC for the purpose of creating supportive housing. Initial drafts of tenant outreach and engagement strategies, tenant selection policies, property management plans, and service plans must be completed as part of the Institute process and prior to



submission of a RHTC application. Participation in the Institute is based on a competitive RFP selection process.

Developments must meet the following criteria to be eligible for the maximum six points:

1. Applicant must successfully fulfill all requirements of the 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 the proposed development, operating, and service budgets, tenant selection plan, operation plan, and supportive service plan. The Development Team must submit their draft budgets and plans to CSH 45-90 days prior to the tax credit application submission deadline in order to allow time for review and comments; and
 - iii. Project concept is aligned with Institute goals, including target population to be served and use of the Housing First model.
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 RHTC 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 RHTC application.
4. Applicant must identify all subsidy sources and funding commitments must be provided with the RHTC application. If the funding has not yet been committed, Applicant must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. If Applicant is applying for Project Based Section 8 through IHCD, Form O must be submitted.

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

Developments must meet the following criteria to be eligible for three points:



1. The Applicant must obtain a letter from CSH certifying that:
 - i. The primary team members (developer, management company, and service provider) have all completed a previous Indiana Supportive Housing Institute together as a team; and
 - ii. CSH has reviewed the proposed development, operating, and service budgets, tenant selection plan, operation plan, and supportive service plan. The Development Team must submit their draft budgets and plans to CSH 60-90 days prior to the tax credit application submission deadline in order to allow time for review and comments; and
 - iii. Project concept is aligned with IHCDAs supportive housing goals, including target population to be served and use of the Housing First model.
2. Applicant must enter into an MOU with CSH for ongoing technical assistance (to be provided from reservation of credits until at least the end of the first year of occupancy). A copy of the MOU must be provided with the RHTC application.
3. Applicant must enter into an MOU with each applicable supportive service provider. A copy of the MOU(s) must be provided with the RHTC application.
4. Applicant must identify all subsidy sources and funding commitments must be provided with the RHTC application. If the funding has not yet been committed, Applicant must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. Applicants that have not completed the Institute for the specific project for which they are applying are NOT eligible to request IHCDAs Project Based Section 8.

Required Documentation: Application must include the following items in Tab O:

- CSH letter certifying completion of the Institute (if eligible for the full six points) or previous Institute completion (if eligible for three points), review of applicable plans, and conformance with Institute goals/ the Housing First model; and
- Copy of executed CSH MOU; and
- Copies of all applicable service provider MOUs; and
- Documentation of subsidy commitments or narratives as described in item #4 above; and
- If applicable, Form O to apply for IHCDAs Project Based Section 8. Developments eligible for partial points may not request IHCDAs project based vouchers.

Maximum Number of Points	6
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F. Smoke-Free Housing

Three points will be awarded to developments that commit to operating as smoke-free housing. In order to receive points, the application must include a smoke-free housing policy that includes (at a minimum) the following items:

- Definition of smoking; and
- Definition of who the rule applies to (not only residents but also their guests on the property, staff, etc.); and
- Explanation of where smoking is prohibited on the property. Smoking must be prohibited in individual units and all interior common space. The plan may either establish the entire property as smoke-free or identify a designated smoking area on the property. A designated smoking area must not be within 25 feet of any buildings; and
- Explanation of how smoke-free rules will be communicated and enforced; and
- If the Development is the preservation of existing housing that is not currently smoke-free, then the plan must include an explanation of how the property will transition to a smoke-free environment; and
- Draft smoke-free housing lease addendum that will be signed by all households.

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

Required documentation: Place the following in Tab T:

- Smoke-free housing policy that meets the requirements outlined above; and
- Copy of draft lease addendum.

Maximum Number of Points	3
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G. Community Participation

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



A. The applicant and developer is defined as the contact identified in the Development Contact page within Form A.

The nonprofit must have affordable housing, community development, or economic development as one of its primary purposes. To qualify, the nonprofit organization on whose Board the individual serves cannot be part of the development team for the proposed project, unless the individual has been on the Board for at least three years prior to the application submission date.

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

- A current list of board members; and
- If nonprofit organization is part of the development team, evidence that the applicant, owner or developer contact has been on the Board at least three years; and
- A copy of the organization’s by-laws; and
- A copy of the organization’s articles of incorporation; and
- A copy of the IRS letter confirming 501(c)(3) status.

Maximum Number of Points	2
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H. Reducing the Impact of Eviction

Applicants that commit to implementing strategies that reduce the impact of eviction on low-income households will receive points as follows, for a maximum of three points:

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



- The plan will not screen out applicants for evictions that occurred more than 12 months prior to the date the household applies for a unit.

A qualifying Tenant Selection Plan must be drafted prior to initial lease-up and submitted to IHCD for review and approval. The plan will be reviewed as part of IHCD ongoing compliance monitoring to ensure this requirement remains in place.

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

Required Documentation: Completed Form A and an affidavit from the Management Company chosen for the project acknowledging the commitments. Place affidavit in Tab J.

Maximum Number of Points	3
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I. Technical Correction Period

During the funding round and after IHCD’s review of Threshold for each Application, IHCD will award bonus points for applications that have two or less technical corrections as indicated below:

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

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

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

- 1) IHCD will contact the Applicant and specify the items where the Application failed Threshold review.
- 2) The Applicant will be allowed no more than 14 calendar days to provide additional information to IHCD for the Application to pass Threshold.



- 3) Information may be emailed or uploaded to the IHCDCA specified file sharing site, unless IHCDCA requests original documents.
- 4) Once information has been received, IHCDCA will NOT respond with the status of the application or the additional information other than to verify its receipt.
- 5) Clarification of documentation that has already been provided in the Application will still be eligible for points in this category as long as no additional documentation is required for the Application to pass Threshold, in IHCDCA’s sole discretion.
- 6) No Applicant will be allowed to submit additional documentation during the Technical Correction Period to score points in any point scoring category.
- 7) IHCDCA, in its sole discretion, will determine if the additional documentation submitted during the Technical Correction Period is adequate for the Application to pass Threshold.
- 8) The Correction Period will apply to those Applications applying for HOME and Development Fund, or any other IHCDCA gap funding source. The application will not be subject to a point reduction if the technical correction is associated with a requirement identified in Schedule E or Schedule J, however the applicant will be required to submit the resubmission fee of \$500 per correction.

Maximum Number of Points	4
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J. Lack of Progress on Issuance of Form 8609

If any Applicant, Owner, and/or Developer has received an RHTC award for a different Development(s) in a previous round and this Development (“Delayed Development”) was not issued IRS Form 8609 within 36 months of the date of the RHTC Carryover, any application(s) submitted during the round may be assessed a five point penalty (to be deducted from the total score), UNLESS the Applicant, Owner, and/or Developer has since received Form 8609 for the Delayed Development AND received Form 8609 on at least one OTHER Development within 36 months of its date of Carryover subsequent to the Application Date of the Delayed Development.

Any Applicant, Owner, and/or Developer representing a Delayed Development may continue to receive the penalty on each subsequent round in which they have an application(s) submitted until they have fulfilled the requirements above.

Maximum Number of Negative Points	-5
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Section 7 - Miscellaneous

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

Part 7.1 | Application Dates

Dates for the rounds are as follows:

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

2020 and 2021 Annual Private Activity Bond Round	
Application Deadline	Anticipated Reservation Date
N.A. – Open Application Round	90-120 days from the Application submission (This may be longer during the 9% application round.)

Part 7.2 | Fees

All fees must be made payable to IHCDA. If a check is returned for insufficient funds, the application will be immediately denied.

- A. All Applicants must submit a non-refundable Application fee with each Application. Application fees are as follows:



RHTC Application Fee	IHCDA Supplemental Application Fee (HOME, Development Fund, Project-Based Vouchers, Housing Trust Fund, or any other funding requested through IHCDA)
\$3500 (If the proposed project contains sites in different jurisdictions, a \$500 fee will apply for each additional jurisdiction.)	\$1000 each

B. Conditional Commitment Reservation Fee

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

C. Additional Fees

IHCDA will assess the Applicant the reasonable costs (including any costs and fees it may incur) for additional or extraordinary services requested by or required of any Applicant, Owner or Development. All such assessments must be paid prior to any final allocation of RHTCs (i.e. the issuance of IRS Form 8609) or before any subsequent Application will be considered, whichever should first occur.

The following is a fee schedule for typical services. However, this schedule is not all inclusive:

Fee Amount	Description of Service
\$500	Resubmission fee for each technical correction identified in the initial application.
\$1,000	Modification fee for request for changes in the characteristics of the Development, such as unit type, distribution, or targeting, or for changes to scoring criteria.
\$1,000	Re-underwriting / loan modification fee for requests for changes to IHCDA loan terms after execution of an LOI or if changes to the project sources/uses/pro forma require IHCDA to re-underwrite.
\$500	Request a waiver for a Threshold Requirement. This fee must be paid at the time of request.



\$1,000*	Request an extension to any deadline established in the QAP, Schedules, or Appendices. *The amount of the extension fee will increase by \$500 for each subsequent extension request. For example, the second extension request for the same deadline would be \$1500.
\$1,500	Request for issuance of amended IRS Form(s) 8609 due to an error in the submission of Final Application documentation.
	Request for an amended Carryover Agreement resulting from a change in the building identification numbers or other modification (i.e. legal description errors, etc.).
\$1,500	Request for changes in the ownership structure; or for request for extensions for meeting special conditions set forth in the Reservation/Conditional Commitment Letter.
	Request to modify any IHCDCA legal documents located in the QAP that require involvement of IHCDCA counsel, including but not limited to the Extended Use Agreement (lien) and any loan documents.

The fee for the above services must be included with the request and must be received before IHCDCA will proceed with its review/process.

Part 7.3 | Use of Forms

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

Part 7.4 | Semi-Annual Progress Reports

All Developments must submit a Semi-Annual Progress Report to IHCDCA on or before June 30th and December 31st each year until the final application has been submitted for the Development.

Part 7.5 | Changes in Ownership

If a change in ownership occurs, a detailed description of the change must be provided in writing to IHCDCA. Changes in ownership must be reported via IHCDCA’s “Property Ownership Change Form.”

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



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

See Schedule B for IHCDA's Ownership Change procedures.

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

Modifications to the Development that affect threshold requirements, scoring items, and/or IHCDA financing terms in any way without prior written approval from IHCDA may result in a reduction and/or rescission of IHCDA funding (including private activity tax-exempt bonds). Modification requests are subject to a \$1,000 modification fee.

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

- a. Formal written request from the Owner/Developer detailing (1) the specific request, (2) the reason the request is needed, and (3) the impact to the project in the event the modification request is not approved.
- b. Modification fee of \$1,000. *Note: additional fees may apply if legal documents must be amended, per the fee chart in Part 7.2.
- c. Updated Form A (Initial Application) that reflects changes to the original application based on the proposed modification(s).
- d. At its discretion, IHCDA may request additional supporting documentation.

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

Part 7.7 | Applying for RHTCs with other Rental Housing Financing

In the event that an Application is competitive for RHTC but either (1) the Application fails the threshold review for other funding or (2) other funds are not available, IHCDA will allow the Applicant to identify other means of filling the Development's financing gap.



Part 7.8 | Carryover Allocations and Lock-In Agreements

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

Part 7.9 | Issuance of IRS Form 8609

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

The entire Final Application and Final Cost Certification package to request IRS Form 8609 must be submitted in a format acceptable to IHCDCA as soon as possible after the Development has been placed in service, but no later than six months following the issuance of the Certificate of Occupancy/Substantial Completion for the Development and/or the placed in service date of the last building in the Development. The Applicant may request an extension of this deadline, which will be reviewed by IHCDCA on a case-by-case basis.

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

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

- a. Pre-8609 Physical Inspection Request Form: This form should be submitted as soon as possible after the entire Development is placed in service, even if the other documents for the 8609 package are not available. IHCDCA will then conduct a physical inspection (the "Pre-8609 Inspection") of the property. All items from the physical inspection must be addressed before IHCDCA will issue IRS Form 8609; See Form H.
- b. Completed Final Rental Housing Finance Application and Cost Certification (Original and Electronic PDF Format);



- c. Copy of Final Score Sheet demonstrating Applicant has maintained the score from the Initial Application. Failure to maintain the project's final score from initial application to final application may result in penalties, including but not limited to a fine and/or suspension. The penalty will apply to the Applicant, Owner, Developer, and/or other applicable development team members at the discretion of IHCD.
- d. Certificate(s) of Occupancy for each building in the Development or Certificate(s) of Substantial Completion for all rehabilitation Developments (Electronic PDF Format);
- e. All permanent financing closing documents (Electronic PDF Format of the recorded copy);
- f. All construction financing documents (Electronic PDF Format);
- g. Current partnership agreement or limited liability company operating agreement, including all exhibits and schedules executed by the limited and general partners or managing member (Electronic PDF Format);
- h. Recorded Lien and Extended Use Agreement, executed by Owner, lender and IHCD. Before this document is recorded, IHCD must review and execute it. This process must be done before the Final Application is submitted and the IRS Form 8609 review process has begun;
- i. Prior to request for and issuance of IRS Form 8609, an agent of the property management staff must have attended an IHCD sponsored tax credit compliance workshop or completed the online Housing Credit College course entitled "Housing Credit 300: Compliance Basics for Indiana Properties" within the last year. Additionally, an Owner who has not been issued an 8609 from IHCD within the past three years must have attended an IHCD sponsored tax credit compliance workshop or completed the online Housing Credit College course entitled "Housing Credit 300: Compliance Basics for Indiana Properties" within the last year.
- j. Executed Development Agreement (Electronic PDF Format);
- k. Copy of deed showing partnership as owner (Electronic PDF Format);
- l. Executed Management Agreement (Electronic PDF Format);
- m. Photographs of the completed Development (exterior and interior);
- n. Documentation of MBE/WBE participants. If participants have changed since initial application, copy of the signed contract/agreement and a copy of the entity's certification from the Indiana Department of Administration must be submitted (Electronic PDF Format);



- o. Owner affidavit of services being provided to the Development along with the term for services provided and cost to the tenants; and
- p. Any other documents that IHCDa may require in determining the final amount of RHTCs to be allocated to the Development and the Development's conformance with the requirements of Section 42 (Electronic PDF Format).

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

Part 7.10 | Dissemination of Information

Any Application submitted to IHCDa for an allocation of RHTC or Private Activity Tax Exempt Bonds is available for dissemination and publication to the general public.

To request a copy of an Application, follow the IHCDa public records request process identified at <https://www.in.gov/myihcda/contactus.htm>.

Part 7.11 | Exchange of Credits

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

- a. Litigation brought by parties other than the Applicant and that the Applicant could not have anticipated; or
- b. Catastrophic events that the Applicant could not reasonably have anticipated or controlled.

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

- a) Due diligence performed by the Applicant in attempting to meet the placed-in-service deadline;
- b) The specific circumstances causing the delay that jeopardizes the Applicant's compliance with the placed-in-service deadline;
- c) The attempted remedial measures taken by the Applicant in order to mitigate the delay; and
- d) Any other information that may be requested by IHCDa.



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

- a) A narrative describing the need for the exchange of credits and all attempts by the Applicant to meet the original placed-in-service deadline;
- b) A new Form A;
- c) The application fee set forth in Part 7.2;
- d) Payment of a nonrefundable reservation fee of 4.0% of the annual amount of Rental Housing Tax Credits for the Development;
- e) Supporting documentation of the Development's continued eligibility under the requirements of the QAP as in effect at the time of the original allocation; and
- f) Supporting documentation of the development's continued financial feasibility.

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

Part 7.12 | Requesting Additional IHCD Resources after a Credit Allocation

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

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

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

Part 7.13 | Performance Violation

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



- **Fines:** Failure to comply or perform in accordance with the certified initial or final application or the policies and procedures of the Qualified Allocation Plan may result in a monetary fine.
- **Reduction of Credits:** Failure to comply or perform in accordance with the certified initial or final application or policies and procedures of the Qualified Allocation Plan may result in the reduction of credits.
- **Suspension and/or Debarment:** IHCDCA may suspend a development team member who is suspected of misusing, abusing, or otherwise failing to use IHCDCA resources properly, pending completion of an investigation. IHCDCA may debar a development team member on reasonable evidence that the development team member has behaved or is behaving improperly with regard to IHCDCA resources, whether intentionally or unintentionally. The difference between suspension and debarment is that a suspension is used to allow IHCDCA to determine whether a debarment or other action is warranted pending completion of an investigation. Therefore, a suspension is intended to be an indefinite but temporary measure until IHCDCA determines whether debarment is appropriate. Upon determination that a development team member will be suspended, IHCDCA will issue a written notice of the suspension. Following completion of the investigation, IHCDCA will send the development team member a written notice of its final decision.

