HOME Investment Partnership Program PY 2024-2025 Rental Construction Round

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IHCDA's Mission and Vision

Our Mission

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

Our Vision

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

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Agenda

- What is the HOME Rental Program?

- Eligible unit types

- Who can apply?

- How to apply?

- Threshold
  - Organization Structure and Capacity
  - Market need and pipeline
  - Site details
  - Development plan
  - Financing and Match
  - Underwriting

- Scoring

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What is the HOME Rental program?

IHCDA HOME Rental Program

- Federal HUD program

- Funds used for rental construction, rehabilitation, or combination of acquisition and construction or rehabilitation
  - Funds are paid on a reimbursement basis

- Use of funds may be a grant or a grant + loan depending on how the project underwrites. Maximum award of **$1,000,000** ($1,500,000 for pre-certified CHDOs)

- Per unit subsidy limits based on number of bedrooms, and [Area Median Income](#) (AMI) percentage set-asides

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Unit Eligibility

Unit Types

- Properties can be apartments, single room occupancy units (SROs), or single-family housing units for rent

- Manufactured homes may be eligible if they meet the IHCDA Manufactured Housing Policy or bring unit to federal standards (page 10 of HOME Rental Policy).

- Units to be leased to households making at or below 60% AMI
  - Developments with five or more HOME-assisted units must designate at least 20% of the units for households at or below 50% AMI

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Ineligible Unit Types

- Group homes

- Transitional housing

- Emergency shelters that are designed to provide temporary daytime and/or overnight accommodation

- Nursing homes

- Convalescent homes

- Hospitals

- Residential treatment facilities including recovery houses

- Correctional facilities

- Student dormitories

- Commercial space

- Secondary housing attached to a primary unit

Applicant Eligibility

Eligible Applicants

- Community Housing Development Organizations (CHDOs)

- 501(c)3 and 501(c)4 nonprofit organizations, including religious and faith-based nonprofit organizations that meet the requirements outlined on page 7 of the HOME Rental Policy

- Joint Venture Partnerships

- Public Housing Agencies (PHAs)

- Local units of government (cities, towns, or counties) located within Indiana, except in the excluded Participating Jurisdictions

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Ineligible Geographies

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

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Eligible Participating Jurisdictions

- CHDOs may propose projects within the following PJs
  - Anderson
  - East Chicago
  - Hammond
  - Terre Haute

- PJ must also commit their HOME funds to the project

- Maximum funding request $1,000,000

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How to Apply?

Funding Round Timeline

- Any changes to these dates will be announced via a RED Notice.

CHDO Certifications Due	March 10, 2025
HOME Application Due Date **5:00 PM EST**	April 14, 2025
Tentative Award Announcement	June 27, 2025

- All award recommendations are subject to IHCDA Board of Directors approval.

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IHCDA Application Materials

- IHCDA application materials will be available on IHCDA's HOME Investment Partnership Program [site](#)
  - PY24-25 HOME Rental Policy
  - HOME Rental Application
  - Schedules 1 through 4
  - HOME Match Spreadsheet
  - Forms C, D, and E
  - Board Resolution
  - HOME Awards 2010-2024

- CHDO Application Workbook, Block Group/Census Tract, and Predevelopment Policy/Application on CHDO [site](#)

- ERR materials can be found on ERR [site](#)

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Application Materials

T1 - APPLICATION COVER PAGE
Last Updated: 1/21/2025

A - APPLICANT

1. Legal Name

2. Type

3. Address

4. Phone Numbers

3a. Street / P.O. Box

4a. Phone

3b. City | 3c. State | 3d. ZIP Code

4b. Mobile

3e. County

4. Contact

4a. First Name | 4b. M.I. | 4c. Last Name | 4d. Title

4e. E-Mail Address

5. Highest Elected Official or Executive Director

5a. First Name | 5b. M.I. | 5c. Last Name | 5d. Title

5e. E-Mail Address

6. UEI # | **7. Federal ID #** | **8. SAM CAGE #**

> T1-Application Cover Page | T2-Development Information | T3-Narratives | T4-Units | T5-

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Census Tracts in bottom quartile for Poverty Rate — Schedule 1

County	Tract ID	Percent of Population in Poverty
Adams County	Census Tract 301	4.5%
Allen County	Census Tract 101	2.5%

Census Tracts in top quartile for Median Household Income — Schedule 2

County	Tract ID	Median Household Income
Adams County	Census Tract 304	$ 89,479.00
Allen County	Census Tract 102.01	$ 116,277.00
Allen County	Census Tract 102.02	$ 100,242.00

Procedures for accessing Data for Housing Need Index — Schedule 3

Accessing CHAS data

For the scoring categories within the HOME Housing Need Index which refer to HUD's Comprehensive Housing Affordability Strategy (CHAS) data, click here and follow these instructions:

Determining Rural Counties — Schedule 4

According to the 2020 US Census - Tables P2 and H2 – at least 50% of households and/or at least 50% of the population in the following counties are considered to be in rural areas.

Adams County | Ohio County

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
HOME Match Spreadsheet

Project Name: | Person Completing Form:
Award Number: | Date Completed:
Applicant: | Email Address:

Instructions:
1. Fill in all cells shaded in light blue throughout the worksheet for each applicable match source.
2. For sections containing checkboxes, select the one applicable to the subject project.
3. Any questions should be directed to the Funds Management and Resource Specialist and/or HOME and HTF Manager.

Application Submission

- Application fee of $500 paid through the [IHCDA Online Payment Portal](#).
  - If requesting Development Fund Loan, additional $500 application fee applies
  - Exception: pre-certified CHDOs application fee not required

- Contact Real Estate Coordinator, Chris Adkins at CAdkins@ihcda.IN.gov, to set up a OneDrive folder for your application submission.
  - Please include the email addresses of all personnel that require access to the application folder

- Provide completed Application in both Excel **and** PDF formats
  - If you see any formulas not working correctly, please let IHCDA know!

Application Submission

- All supporting documents required in the tabs.

- PLEASE submit this information as separate, labeled PDF documents under the required labeled tabs.
  - Please don't send one PDF of all supporting documentation. It will delay review significantly.

- Signed ERR record in PDF format

- Deadline for submission: April 14th, 2025, 5:00 PM EST

Name ↑ ⌄	Modified ⌄	File size ⌄
Application Tab	March 18, 2024	6 items
Correspondence	May 3, 2024	3 items
Tab A_Sam Status	March 18, 2024	2 items
Tab B_Debarment	March 18, 2024	15 items
Tab C_Grievance Procedures	March 18, 2024	1 items
Tab D_Area Need	March 18, 2024	4 items
Tab E_Not-for-Profit	March 18, 2024	3 items
Tab F_Notifications	March 18, 2024	2 items
Tab H_Site Map	March 18, 2024	4 items

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Threshold Items

Threshold

- Must include all applicable threshold items to be considered for funding

9.2 Threshold Requirements

All documentation must be dated within six months prior to the application deadline, unless otherwise noted below. This does not apply to site control documentation as long as the expiration date is not less than 30 days after the anticipated IHCDA award announcement.

Completeness	Location
Application and Supporting Documents • Submit the fully completed HOME Rental application in both Excel and PDF formats. • Submit all required supporting documents in the appropriate folders. IHCDA will not accept or review paper copies of the application or any other supporting documents. Applicants will be issued a threshold deficiency for using outdated forms from previous rounds.	Uploaded to OneDrive

Threshold	Location
CHDO Applicants Proposing Projects in Selected Participating Jurisdictions • If a CHDO is proposing a project located in a selected participating jurisdiction as described in Section 2.4, submit a preliminary commitment of HOME funds from the participating jurisdiction for the project for which the Applicant is applying for IHCDA funding.	Folder L - Financial Commitments
SAM Status • Submit a copy of the Applicant's System of Award Management (SAM) status: https://sam.gov	Folder A - SAM Status
Unique Entity Identifier (UEI) • *Applicant must have an active, federally assigned UEI to be considered for HOME funding.*	Application

- Application form includes checklist

THRESHOLD CHECKLIST

TAB	Description	Included by Applicant	IHCDA Review	Applicant Notes
A	SAM Status	NO		
	Unique Entity Identifier (UEI)	NO		
	Debarment Information	NO		
	Architect License	NO		
C	Grievance Procedures	NO		
D	Market Assessment & Area Need	NO		
	HOME-Assisted Households at or Below 60% AMI	NO		
E	Not-For-Profit Applicant Documentation: IRS Determination Letter	N/A		
E	Not-For-Profit Applicant Documentation: Proof of Good Standing	N/A		

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Threshold Items – Organizational Structure and Capacity

Who is building?

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Application Cover Page

- Cover page – basic information on organization

- Lists important contacts and development team

- If you have additional contacts, provide supplement document with appropriate contacts for correspondence

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Organizational Requirements

- [Sam.gov](Sam.gov) registration

- UEI number now required instead of DUNS

- Debarment documentation not required – please make sure cover page includes all partners
  - Architect license requirement

- Board Resolution – required under State Statute.
  - Can be found on IHCDA website
  - If signing electronically, please also provide Bylaws or Amendment authorizing electronic signature

Organizational Capacity

- Non-Profit Applicant Documentation
  - IRS Determination Letter
  - Certificate of Existence

- Audited Financial Statements
  - Most recent copy of your audited financial statements. If you are not required to have audited financial statements, submit a compilation report put together by a third party OR your most current year-end financials.

- 2024 Year-End Financials
  - Including both the balance sheet and income statement
  - Only required if Audited Statements do not cover through December 31, 2024

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CHDO Requirements

- If your organization wants to be certified as a CHDO:

  - If you have not been certified within 6 months of the application, please submit full CHDO application
  - If you have been certified within past 6 months through separate CHDO application or HOME Rental application, please provide either:

    - Letter from Executive Director stating nothing has changed since last certification, OR,
    - Letter and documentation of any CHDO changes

- If you want to certify, and you have not received $50k of CHDO Operating in a given Program Year, you are eligible for CHDO Operating. See Tab D2 in Application form to apply.

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Threshold Requirements – Market Need and Pipeline

Who is renting?

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Market Need and Analysis

- T3-Narratives – Development Narrative:
    - Tell the story of how your project will be successful!
        - Development Description
        - Amenities
        - Community Support
        - Beneficiaries Served
        - Partnerships Created
        - Effective Use of Resources

- Support Materials may include:
    - Planning documents
    - Maps of nearby amenities and distance to proposed development
    - Public Outreach undertaken or letters of support from local municipalities

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Market Need and Analysis

- T3-Narratives – Market Need:
  - Tell the story of why the area needs the project
    - Market Area
    - Socioeconomic Profile and Trends
    - Housing Stock
    - Capture Rate and Absorption Period

- Support Materials may include:
  - Census data on households by age, income, population growth/decline, etc.
  - Current housing stock including percentage units vacant
  - Estimated rate at which units will be leased up until full occupancy

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How will you work with tenants?

- T3- Narratives – Program Guidelines
  - How will you accept applications?
  - How to you target the population you are serving?
  - How do you evaluate applications?

- Require Grievance Procedure Policy
  - How grievances are submitted
  - Who will review those
  - Timeframe for review
  - Appeals process

- Relocation Plan (Rehabilitation Only)

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Tenant Services

- Must commit to services in each of three levels listed on Tenant Investment Plan Matrix

Level 1	Minimum 1 Service
Level 2	Minimum 2 Services
Level 3	Minimum 3 Services

- Applicants must submit:
    - Form C – Tenant Investment Plan Matrix
    - Form D – Tenant Investment Plan Service Agreement (signed for each service provider)

Form C: Tenant Investment Plan Matrix
For Rental Projects Only
Only one Form C per HOME application is required.

Development Information		
Project Name:	[	
Street Address (each address for scattered site):	[	
City/Cities:	[	County/Counties: [

LEVEL ONE SERVICES
(Minimum of One Service Required)

Form D: Tenant Investment Plan Service Agreement
One Form D for each service provider.

Service Provider/ Agent/ Organization		
Name:	[	
Street Address:	[	
City:	[	County: [

This agreement between (Owner)[____], (Management Agent)[____], and (Service Provider/Agent/Organization)[____], is to confirm the activities and/or incentives offered to residents of (HOME project name)[____]. The Owner and Management Agent agree that in partnering with the Service Provider/Agent/Organization, the development should offer programs that are tailored to the needs of the targeted tenants and encourage tenants to invest in the overall well-being, neighborhood/multi-family community, and/or environment.

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Smoke-Free Housing

- Must commit to smoke-free housing and use IHCDA Lease Addendum
  - Designate entire property as smoke-free or,
  - Establish designated smoking area not within 25 feet of any buildings
    - Prohibits smoking in individual units or interior common space

- If preserving existing housing where smoking is currently permitted, smoke free policies must be implemented by the rehabilitation completion date

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Threshold Requirements – Site Details

Where are we building?

What is the site?

- Submit clear, colored site map and site photos
  - Project site and/or parcels must be outlined and identified
  - Scattered Site projects must submit aerial photo with location of each site.

- Zoning approval – letter no older than six months from the appropriate, authorized governmental official certifying that the current zoning allows for construction and operation of the proposed development
  - Lists any variances that were also required

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Site Control

- Purchase Option or Purchase Agreement that expires no less than 30 days after the award announcement date or an executed and recorded deed.
    - Recommend that Option expires no less than 3 months after submission to IHCDA

- Title Search which shows evidence of clear title with a title insurance commitment, title search documentation, or an attorney's opinion letter.

- Tax Sale special considerations:
    - Tax Title deeds to do not warrant that the property is free of all liens and encumbrances.
    - Warranty deeds do, but county governments won't guarantee clear title
    - Would probably then rely on Attorney's Opinion or a Quiet Title Action

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Environmental Review

- Environmental Review process governed under the National Environmental Policy Act of 1969; IHCDA pairs this with the National Historic Preservation Act of 1966 (Section 106 review).

- Environmental Review Workbook must be entirely filled out and all required supplemental documentation must be included.

- IHCDA ER site includes Environmental Review User's Guide, the Workbook (in fillable pdf), Resource Document (i.e. how to gather supplemental documentation), Supplemental Worksheets/Guides, and Example Maps.

- IHCDA works with a third-party consultant team to review your documentation – currently this is SJCA, Inc.

- IHCDA Placemaking and Environmental Review Manager Meagan Heber – mheber@ihcda.in.gov

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ER Feasibility and Timing

- IHCDA encourages partners to use the workbook to determine if a site and site plan may or may not be feasible (as soon as possible!). Send questions to Meagan Heber.

- **Timing on ERR is critical!**

- Applicants cannot do any action in relation to a project site/project once an application has been submitted until Environmental Release of Funds has been received. These actions include:
  - Execute an option or purchase property
  - Sign contracts (including one with IHCDA)
  - Break ground/work on project site in any way

- **Action prior to Release of Funds is considered a "choice limiting action" and may exclude you from funding/cause repayment of funds.**

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ER Timeline

STEP 1: All environmental review documentation is submitted to IHCDA with HOME application.

STEP 2: IHCDA sends documentation to SJCA, Inc. (consultant team). SJCA will let applicant know if anything is missing, there are follow up questions, etc.

STEP 3: IHCDA announces awards.

STEP 4: SJCA provides a Section 106 Concurrence to awardees once review is complete—awardees draft a public notice. This public notice must be reviewed and approved by SJCA.

STEP 5: Public notice is published locally—15 day comment period.

STEP 6: Copy of the public notice provided to SJCA. SJCA then can send the Request for Release of Funds to HUD.

STEP 7: HUD comment period of 15 days. Once complete, they will send the Release of Funds and IHCDA will notify the awardee.

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ER Considerations

- Please note that IHCDA will not fund projects in a 500- or 100-year floodplain or projects that involve mapped or potential wetlands.

- Projects must not be within 2,500 feet from the end of a runway at a civil airport.

- New construction requirements near busy roadways, intersections, highways and railroads may be of concern. Noise above 75 dB is considered "unacceptable" under the Act and will require a new location. Noise between 65-75 dB will require mitigation.

- Project on or near a Superfund, CERCLA, solid/toxic waste disposal site, underground storage tank may require mitigation and other requirements.
    - New Radon Requirements!

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Section 106 Consultations

- All new construction units must under a 30-day archeology review with the State Historic Preservation Office

- All projects that require ground disturbance (most other than a few rehab) require IHCDA to consult with tribes. This consultation must come from IHCDA and takes a minimum of 30 days.

- Consulting Party letters – applicants must consult with outside parties and provide these letters with their application
  - If these are not done at time of application, this will delay funding

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Threshold Requirements – Development Plans

What are we building?

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Development Budget & Appraisals

- Submit detailed construction cost estimates for the development.
  - Include full work write-up
  - Identify costs of all line-items

- If any portion of the HOME funds will be used for acquisition, the eligible acquisition amount will be calculated as the lesser of the actual amount paid for the building, or the appraised fair market value
  - The applicant must submit a fair market appraisal completed by an Indiana licensed appraiser. The appraisal must be an "as-is" appraisal and adhere to the Uniform Standards of Professional Appraisal Practice.

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Unit Plans & Design

- Provide site plans that show how the development is to be built, including:
  - Demolition
  - Existing Buildings
  - Placement and Orientation of new and existing buildings, parking, sidewalks, amenities
  - Location and size of any proposed commercial areas
  - Scaled drawing elevations for all building types
    - Rehab projects may submit renderings or photos if they are accompanied by an architect's certification that elevations will not change.

- Provide Unit and Floor plans that include the square footage for each unit.
  - Cannot be hand drawn / handwritten
  - Include location of common areas
  - Indicate exact placement of accessible and adaptable units

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Unit Matrix

Tab T4-Units will identify:
- numbers of units
- number of bedrooms per unit
- projected AMI target for each unit

New Construction Requirements

- New construction of single-family homes, duplexes, triplexes, or townhomes must meet Visitability Mandate

    - At least one zero-step entrance on an accessible route. Can be any entrance to the unit.

    - All main floor interior doors (including bathroom and closets) must provide at least 31 ¾ inches of clear opening width.

    - At least one half or full bathroom on the main level that is accessible.

    - Each hallway on the first floor had a width of at least 36 inches and is level, with ramped or beveled changes at each door threshold.

    - Each bathroom on the first floor is reinforced for potential installation of grab bars.

    - Each electrical plug or receptacle must be at least 15 inches above the floor

    - A multistory unit must contain a receptacle at the bottom and top of the staircase to accommodate a future stairlift if needed.

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Rehabilitation Requirements

- Must provide a Capital Needs Assessment (CNA)

- Units to be rehabbed must be inspected by IHCDA or its third Party, Van Marter to confirm the construction cost estimates.
  - IHCDA will work with you to schedule the initial inspection; the inspection will need to occur during the application review phase
  - IHCDA may require changes to cost-estimates and the pro-forma based on those results.

- Units built prior to 1978 must include a risk assessment with their application and include removal of lead-based paint as part of their scope.
  - There are strict licensing requirements on who can remove lead paint. Please contact Dave Pugh at dpugh@ihcda.in.gov for further guidance.

- IHCDA further recommends including other hazard removal (i.e. asbestos) as part of the construction cost estimates.

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Construction Standards

- Units must, at a minimum meet the stricter of the local rehabilitation standards or the Indiana State Building Code.

- NSPIRE Affirmative Habitability Requirements must be followed
  - Review HOME Rental Policy section 8.1 for inspectable areas, smoke alarm, and CO detector requirements

- New construction projects must meet certain energy efficiency standards. -
  - New single family and low-rise multifamily housing (1-3 stories) must meet the standards under the 2021 IECC
  - High-rise multifamily (4+ stories) must meet the standards under ASHRAE 90.1-2019.

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Additional Design Considerations

- Must adopt minimum 2 features from each section (6 total)

Section A	Higher Cost
Section B	Moderate Cost
Section C	Lower Cost

- You can elect to do additional Universal designs from each column for points (3-5 points).

Universal Design Features Form

Applicants must adopt a minimum of two universal design features from each section listed below. Additionally, points are available in the Universal Design Features scoring category for committing to a number of universal design features exceeding the above threshold requirement. Please select each universal design feature that you plan to adopt. The originally signed HOME application will serve as certification that the development, if funded, will carry out the below commitments.

The applicant commits to the following number of Universal Design Features:

___	Set A - Universal Design Features (Minimum of Two)
___	Set B - Universal Design Features (Minimum of Two)
___	Set C - Universal Design Features (Minimum of Two)
___	Total Universal Design Features (Minimum of Six)

Set A - Universal Design Features

☐	Front loading washer and dryer with front controls, raised on platforms or drawers in each unit or all laundry facilities
☐	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)
☐	Range/oven with controls located to not require reaching over burners in 10% of the units
☐	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
☐	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
☐	Provide an accessible route from the garage into the dwelling in 10% of the units with attached private garages
☐	Curb cuts along an accessible route throughout the development in accordance with 2009 ICC A117.1 Sections 406.13
☐	Side by side refrigerators in each unit
☐	Where private garages are provided, automatic garage door openers on the garage doors
☐	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
☐	Provide Motion detector controls for the outside lights at least on entrance in each unit
☐	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
☐	In kitchens, provide pull out shelving for all standard base cabinets in each unit

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Threshold Requirements – Other Funding

What are the other sources in the project?

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Funding Commitment

- HOME regulations require PJs (IHCDA) to ensure projects have all financing lined-up prior to entering into a contract.

- Must have letter of commitment or agreement with funder included as part of application.

- Can accept conditional agreements/letters

- If funds were committed more than six months prior to submission, provide a letter confirming funds remain available/accessible

- **SOURCES = USES**

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IHCDA Funding Sources

- CHDO Pre-Development Loan – Loan for up to $30,000 for eligible CHDOs
  - Please note: this must be fully drawn prior to drawing on the construction award

- CHDO Operating Supplement – Grant for up to $50,000 for eligible pre-certified CHDOs
  - Application Tab D2

- IHCDA Development Fund – Loan of up to $500,000.
  - At least 50% of the units must be designated for households at or below 50% of AMI; remainder of units must be below 80% AMI
  - Can be used for pre-development, acquisition, construction, permanent financing or bridge financing.
  - Loan term is 3%
  - Application Tab D1

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Match Requirement

- 25% of the total HOME funds requested, minus amount budgeted for Environmental Review costs

- Match Spreadsheet required to be submitted with application

- If utilizing banked match, request balance sheet from IHCDA's Funds Management and Reporting Specialist, Susan Noone, Snoone@ihcda.in.gov

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
HOME Match Spreadsheet

Project Name: _____ Person Completing Form: _____
Award Number: _____ Date Completed: _____
Applicant: _____ Email Address: _____

Instructions:
1. Fill in all cells shaded in light blue throughout the worksheet for each applicable match source.
2. For sections containing checkboxes, select the one applicable to the subject project.
3. Any questions should be directed to the Funds Management and Resource Specialist and/or HOME and HTF Manager.

Activity Type	Project Type	Occupancy	Location	Mixed Use	Award Year
☐ Rental	☐ New Construction	☐ Single Family	☐ Single Site	☐ Yes	
☐ Homebuyer	☐ Rehabilitation	☐ Multifamily	☐ Scattered Site	☐ No	

Number of Units	% of Units		Square Footage	% of Floor Space
HOME Assisted		Residential		
Non-assisted, HOME Eligible		Commercial		
Market Rate		Total	0	0%
Total	0	0%		

Award Amount	Environmental Review	Qualifying Amount for Match	Percentage Requirement	Required Match Amount
			25%	

#	Match Activity	Match Amount Generated	Cumulative Amount	Remaining Requirement
1	Banked Match			
2	Shared Banked Match			
3	Grant			
4	Supportive Services & Homeownership Counseling *			
5	Donated & Volunteer Labor			
6	Sweat Equity			
7	Donated Materials & Equipment			
8	BMIR Permanent Loan			
9	BMIR Construction Loan			
10	Tax Exemption *			
11	Tax Abatement *			
12	Other Government Fees *			
13	Donated Land or Other Real Property			
14	On-site & Off-site Infrastructure *			

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Match – Ineligible Sources

- Labor, property, funds, or other sources of match contribution donated by
    - the Applicant to itself, or
    - by a principal or investor in the development

- If utilizing banked match, amount used must be generated by closed awards and unencumbered by open awards or applications using banked match

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Follow the numbers: Underwriting Guidelines

Application Underwriting Criteria – Guidelines and Waivers

- IHCDA will consider underwriting outside of the guidance if supporting documentation is provided
  - Waivers must be submitted at least 30 days prior to the application deadline
  - Please submit Waiver Requests to Andrea Lynch at andlynch@ihcda.in.gov

- If an application is outside of the guidelines, without an approved waiver:
  - A threshold deficiency will be issued if the application does not include an explanation and supporting documentation
  - Approval of underwriting for other financial institutions does not constitute acceptable supporting documentation

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Application Underwriting Criteria

- **Total Operating Expenses**: Minimum $5,000 per unit per year. This includes replacement reserves contributions, but excludes debt service.

- **Management Fee**: Percentage is based on the effective gross income.

Number of Units	Maximum Management Fee Percentage
1 – 50	7%
51 - 100	6%
101 or more	5%

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Application Underwriting Criteria

- **Vacancy Rate:** 6-8%

- **Rental Income Growth:** 2% per year

- **Operating Reserves**: Greater of at least four months of projected expenses including operating expenses, debt service payments and replacement reserves, OR, $1500/unit. Please note these expenses are not eligible for HOME.

- **Rent Up Reserve**: HOME funds may be eligible to be used to meet shortfalls in development income during the rent-up period.

Application Underwriting Criteria

- **Replacement Reserves:** must only be used for capital improvements and not for general maintenance expenses. They must escalate at a rate of 3% per year. Minimum contributions are as follows:

Development Type	Minimum Contribution per unit per year
Rehabilitation of existing housing	$350
New Construction- age-restricted	$250
New Construction- non-age-restricted	$300
Single-family units	$420
Historic rehabilitation or adaptive reuse	$420

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Application Underwriting Criteria

- **Operating Expense Growth:** 3% per year

- **Stabilized Debt Coverage Ratio**: Must meet the following standards:

Development Location	Minimum Acceptable Debt Coverage Ratio for Duration of Affordability Period
Large or Small City	1.15 – 1.45
Rural	1.15 – 1.50
Developments with Project Based Vouchers (any location)	1.10 – 1.45

IHCDA recognizes that there may be a need for a higher DCR at the beginning of the Affordability Period; documentation to support this must be provided.

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Application Underwriting Criteria

- **Taxes and Insurance:** provide documentation of estimated property taxes and insurance, including an explanation of how those estimates were calculated.
    - If a PILOT, tax abatement or tax exemption has been approved, provide supporting documentation. If it has not been approved, the project will be underwritten with full property taxes included.

- **Cost Reasonableness**: IHCDA may disallow or reduce any costs that are deemed to be unreasonable.

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Scoring

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Scoring Criteria

- Minimum score of 50 (out of possible 82 points)

- Scoring covers:

Scoring Category	Possible Points
Population Served	15
Location	29
Development Features	29
Team Composition	4
Leveraging Other Sources	5
Total Possible Points	**82**

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Population Served

- Income and Rent Levels   Max Points: 5
  - Designating units at lower AMI levels than threshold requires

- Target Population   Max Points: 4
  - 25% of units set aside for households meeting special needs population

- Eviction Prevention   Max Points: 2
  - Creates Eviction Prevention Plan for the property

- Low-Barrier Tenant Screening   Max Points: 4
  - Creates Tenant Selection Plan that minimizes impact of criminal background on a household's ability to secure housing

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Location

- Opportunity Index   Max Points: 6
  - Located within areas of Low Unemployment, Low Poverty, High Median Income

- Health and Quality of Life Factors   Max Points: 12
  - Located within areas with high health outcomes

- Areas Underserved by HOME Program   Max Points: 3
  - Located within area without recent IHCDA HOME investment

- Housing Needs Index   Max Points: 4
  - Refer to Policy section 10.2 for complete list of high need areas

- Serving Rural Counties   Max Points: 2
  - Located within substantially rural county

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Development Features

- Construction Type   Max Points: 6
    - Elects one of three options
        - Vacant Structure
        - Preservation of Existing Affordable Housing
        - Infill New Construction

- Provision of Additional Bedrooms   Max Points: 4
    - Non-Age-Restricted with 25% units 3+ bedrooms
    - Age-Restricted with 25 % units 2+ bedrooms

- Design Features   Max Points: 4
    - Commit to construction using specified design features

- Universal Design Features   Max Points: 5
    - Commits to construction using specified design features in Universal Design Features Form

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Development Features, cont'd

- Green Building   Max Points: 5
  - Commits to construction using specified Green Building Techniques

- Onsite Recycling   Max Points: 1
  - Commits to providing onsite recycling at no cost to residents

- Internet Access   Max Points: 4
  - Commits to providing free highspeed Wi-Fi in interior common areas, AND/OR

  - Commits to providing free highspeed internet within each unit, OR
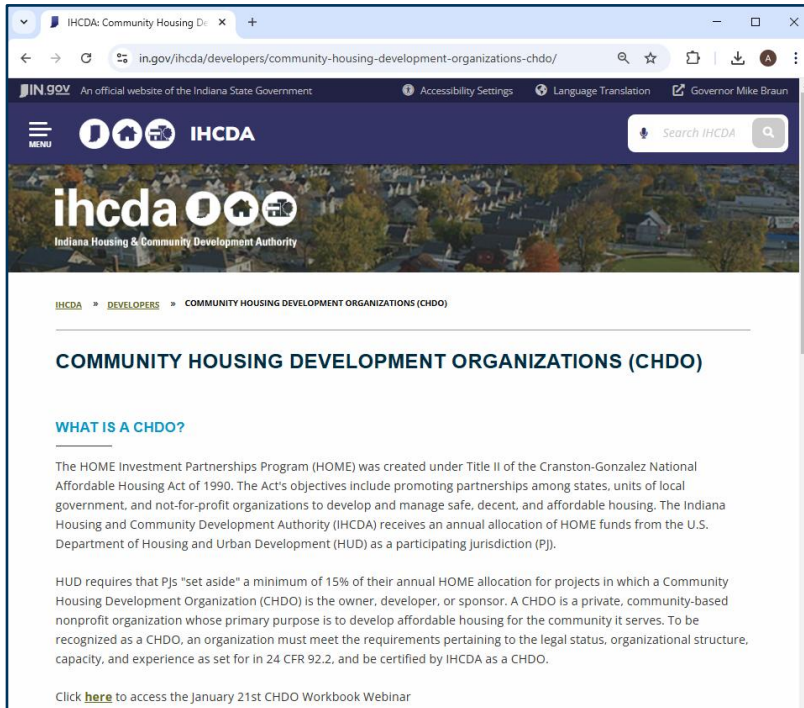 - Commits to providing free highspeed Wi-Fi within each unit

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Team Composition – CHDO Certification

- CHDO Certification   Max Points: 4
  - Applicant is certified by IHCDA as a CHDO
  - Key staff member has graduated from IHCDA's "CHDO Manager and Nonprofit Executive Director Training"

Leveraging Other Sources

- Leveraging Other Sources   Max Points: 5
  - Percentage of eligible private funds used as capital funding compared to total development costs

  - Restrictions:
    - Loans must be permanent and below market interest rate
    - Labor/property/funds/other sources donated by the applicant to itself or by subsidiary or principal investor
    - Banked or shared match
    - Other IHCDA resources (e.g. Development Fund)
    - Funds used for Operating expenses

Any Questions?

Indiana Housing & Community Development Authority

We're Here To Help!

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Note: Marion County is handled by all production staff for ongoing rental projects. Assigned analyst may deviate slightly from this map based on work load

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