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Draft Report

State of Indiana 2020-2024 Consolidated Plan and 2020 Action Plan

PREPARED FOR:

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Executive Summary

ES-05 Executive Summary - 91.300(c), 91.320(b)

1. Introduction

The State of Indiana is eligible to receive grant funds from the U.S. Department of Housing and Urban Development (HUD) to help address housing and community development needs. These grant funds include: the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for People with AIDS (HOPWA) and the National Housing Trust Fund (HTF). The dollars are primarily meant for investment in the State's less populated and rural areas (“nonentitlement” areas), which do not receive such funds directly from HUD.

The Indiana Office of Rural and Community Affairs (OCRA) receives and administers CDBG. The Indiana Housing & Community Development Authority (IHCDA) receives and administers HOME, ESG and HOPWA. As a condition for receiving HUD block grant funding, the State must complete a five-year strategic plan called a Consolidated Plan for Housing and Community Development (Consolidated Plan). The Consolidated Plan identifies the State’s housing and community development needs and specifies how block grant funds will be used to address the needs. This document represents the five-year Consolidated Plan for the State of Indiana’s 2020-2024 planning period. The report was completed using HUD’s electronic Consolidated Plan suite (eCon Plan). This report also contains the non-State’s annual plan for allocating HUD block grant funds in the program year (PY) that begins in July 2020 and ends in June 2021. The 2020 action plan is designated by “AP ”headings.

2. Summary of the objectives and outcomes identified in the Plan Overview

During the 2020-2024 strategic planning period, the top-level goals that will guide funding allocations include:

Goal 1. Broaden housing choices in Indiana by facilitating the development of affordable rental and ownership housing and preserving existing affordable homes.

Goal 2. Reduce homelessness and increase housing stability for special needs populations.

Goal 3. Equip Indiana’s cities and towns with the infrastructure needed to stimulate and maintain thriving economies.

Goal 4. Address gaps in public infrastructure and services that arise as the needs of residents change.

Goal 5. Build capacity of rural leadership.

To achieve the goals, the State will use a combination of Federal and state funds and other public and private funds for project leveraging to address the priority housing and community development needs.

For the 2020 program year, the State proposes to allocate funding to the following activities:

CDBG funds:

- $3 million for owner-occupied rehabilitation (allocated to IHCDA)
- $9 million for the Stellar Regions program
- $500,000 for Blight Clearance Program
- $1 million for Main Street Revitalization Program
- $1 million for Public Facilities Program
- $12 million for Water Improvements Program
- $2 million for Needs Responsive Fund
- $1.2 million for Planning Fund
- $200,000 for Technical Assistance
- $600,000 for Administration
- Section 108 loan program—up to $80 million

HOME funds:

- $10 million rental projects/construction
- $1 million homeownership projects/construction
- $500,000 for CHDO operating and predevelopment
- $1.456 administrative uses ($900,000 internal and $560,000 organizational capacity building)
- $900,000 Tenant Based Rental Assistance (TBRA) (if not utilized, will be converted to rental construction). TBRA may be used in other Participating Jurisdictions.
- Any Program Income collected during FY 2020 will be made available for rental, homebuyer or CHDO operating funds (up to the allowable cap).
- $6 million for the Project Development Track (funding will come from prior years funding). This may be used for rental, homebuyer construction, or a combination. If the funding is not used, it will convert to rental construction.

ESG funds (estimated based on 2019 allocation):

- $1.7 million emergency shelters with operations and essential services
- $1.45 million rental assistance for rapid re-housing
- $72,000 rental assistance associated with homeless prevention
- $124,000 outreach activities
- $270,000 for administration

HOPWA funds (estimated based on 2019 allocation):

- $425,000 in TBRA
- $222,000 for housing information activities
- $170,000 short-term rental, utilities and mortgage assistance
- $90,000 support facility operations and supportive services

3. Evaluation of past performance

Both OCRA and IHCDA closely monitor the success of their programs funded with HUD block grants. Throughout the program year and as part of the Consolidated Plan process, OCRA and IHCDA consult with stakeholders to ensure that the programs developed with HUD block grant funds are meeting unmet needs and making the greatest impact and make adjustments based on that information.

Changes to CDBG programs that are proposed based on evaluation of past performance include:

For the Main Street Revitalization Program (MSRP)—the goal of which is to launch communities into long term strategic planning for main street revitalization:

- Improving the façade program impact through bonus points for project density to maximize the impact of the improvements on business returns and encourage unique designs and branding with project specific-points.

- Incorporate continual education requirements built within the grant to increase business and building owner awareness within the façade program.

- Utilizing funds to implement smaller grant monies toward neighborhood cleanup projects.

- Implementing Indiana Main Street levels to ensure capacity of Main Street organizations when applying for MSRP.

- Offering competitive set-aside grant monies for nationally accredited Indiana Main Street organizations for MSRP as an added incentive.

For the Public Facilities Program (PFP)—the goal of which is to improve quality of place and generate jobs as well as spur economic revitalization:

- Emphasize rural health initiatives by creating bonus points for health centers, opioid rehabilitation centers, and other health or telemedicine related projects.

- Lower current grant amounts for communities to allow for more diversity in project size and facilitate the Section 108 program leverage.

- Provide bonus points based on community needs assessments to encourage more diversity in projects.

For the Wastewater and Stormwater Improvement Program:

- Merge the Wastewater Drinking Water and Stormwater Improvement programs.

- Adjust rates to inflation with a three year transition period.

- Lower the maximum points within the program to make it more reachable for some communities.

IHCDA values strong performance of organizations that receive these monies. To ensure this occurs, the agency conducts monitors sub-recipients funding for compliance on an annual basis. These reviews inform the performance of sub-grantees and their future funding opportunities. Moreover, IHCDA has mechanism throughout the program year to track and review compliance for performance. IHCDA has a track record of deploying several Federal and State funding sources to local organizations. However, there are always challenges. Those may include consistency across award management and creating clear expectations from IHCDA for sub-recipients.

IHCDA efforts include:

- IHCDA continually tracks commitments and expenditures of its CDBG OOR program, HOME and NHTF. IHCDA evaluates metrics on its OOR program and if quarterly benchmarks are met by recipients. IHCDA's OOR application includes a scoring category which incentivizes the meeting of these benchmarks.

- IHCDA routinely updates its project pipeline for both HOME and NHTF and tracks how projects are committed in IDIS.

- IHCDA tracked data regarding partner performance on both HOME and CDBG applications. Information tracked included the distribution of points across scoring categories and the number of clarifications and technical corrections for each partner. This data was used to update and refine IHCDA's existing policies. Changes included, but were not limited to, the revision of program policies to remove burdensome or unclear requirements and the reevaluation of scoring categories and point distributions across both policies. Changes include:

- To incentive more CHDO-development, IHCDA has raised the total amount CHDOs may request (if certified as a CHDO) with their HOME construction application. IHCDA has also increased the amount of CHDO Operating allowed in a second year of Construction for eligible CHDOs.
- To increase the number of total applicants for the HOME program, IHCDA has developed scoring criteria for new HOME applicants to ensure diversity in applications.
- To increase the number of vulnerable populations served, IHCDA has developed scoring criteria for CDBG OOR applicants that incentivizes serving households with one or more members that belong to a targeted population as specifically defined in the IHCDA CDBG Policy (e.g. individuals with disabilities, families with children six and under, aging in place, veterans, and single parent head of households).
- IHCDA also updated its Environmental Review Guide and included more guidance and instruction on the required forms to allow for greater ease in the submission of those forms.

Continued evaluation efforts include:

- IHCDA will continue to track the number of clarifications and technical corrections issued to each partner during HOME and CDBG application rounds in order to evaluate partner capacity and the clarity and ease of use of its own program policies.
- IHCDA will also continue to assess public comments on their respective policies and continue to make changes, when applicable to the policies.

To end long-term homelessness, ESG funded organizations are required to work in coordination with Balance of State Continuum of Care (CoC) funded organization to reduce the length of time people experiencing homelessness stay in shelters. This manifests itself through the use of IHCDA's Coordinated Entry and HMIS systems to ensure clients vulnerability is assessed and the correct program is applied to their needs. These programs are administered within the same IHCDA division, Community Services, that partners with the CoC Balance of State board. This allows for continuity across programs policies and procedures, ensuring individuals are tracked throughout their experience in homelessness. Looking ahead, the CoC is working on the following items:

1) Improving relationships with ESG entitlement communities on coordination of performance expectations.

2) The creation of performance expectations by the BoS CoC board in conjunction with IHCDA that would apply across all Community Services awards.

3) Continue to strengthen the TANF funding to allow for homelessness prevention as a way to use funds at local organizations.

The State also considers leveraging opportunities and works to design its programs to work in concert with other funding streams to advance the State's strategic goals. For example, to end long-term homelessness, ESG funds will be required to work in coordination with Continuum of Care (CoC) funds to reduce the length of time people experiencing homelessness stay in shelters.

4. Summary of citizen participation process and consultation process

Residents and stakeholders had many opportunities to participate in the development of the Consolidated Plan:

- More than 200 stakeholders participated in an online survey about housing and community development needs in the areas they work and live.
- Additional stakeholder interviews were conducted with specialists in housing, community development, and local government affairs. These interviews were conducted during the 30-day public comment period to encourage feedback on the draft Consolidated Plan.
- Three focus groups with elected officials were conducted on February 25 and 26, 2020.
- Resident focus groups are planned for the Spring to inform the update to the state's Analysis of Impediments to Fair Housing Choice.
- The draft Consolidated and 2020 Action Plan is available for public review and comment beginning on February 18, 2020. The comment period extends through April 10, 2020. During this period, the Consolidated Plan will be updated to reflect changes in funding allocations if HUD's 2020 allocation to the state changes significantly.

These efforts were supplemented with regional meetings with local officials, nonprofits, businesses and other stakeholders, conducted by OCRA and IHCDA.

5. Summary of public comments

The public comment period on the Draft 2020-2024 Consolidated Plan and 2020 Action Plan ran from February 18 through April 10, 2020. A public hearing that is broadcast statewide will be held to receive comments on the Draft Plan. This section will be updated as hearing details and public comments from the hearing are available.

6. Summary of comments or views not accepted and the reason for not accepting them

All comments and views submitted during the 2020-2024 Consolidated Plan and 2020 Action Plan comment period are accepted and considered in development of the final plan.

7. Funding Contingency

Contingency Plans
At the time this document was prepared, HUD's budget for PY2020 had not been determined. Contingency plans were developed to adjust the allocation if PY2020 funding is different than that estimated. These are summarized below.

CDBG contingency plan
If cuts are less than 25%:

- CDBG Housing Program remains at 10% of the total CDBG allocation
- Admin and Technical Assistance remain at allowable percentages
- Spread remaining percentage reduction throughout all remaining programs

If cuts are greater than 25%: the Housing Program will not be funded, admin and Technical Assistance remain at allowable percentages, a substantial amendment is issued to reprogram other funds.

HOME contingency plan
If IHCDA receives more HOME funding than stated under this proposed plan, the increase in funds would be applied to the admin set-aside (up to the allowable cap), increase the amount available for CHDO Operating and the remainder added to the rental construction activity.

If IHCDA receives less HOME funding than stated under this proposed plan, the set-asides for CHDO Operating and Pre-Development and Admin will decrease by the proportional percentage of allocation reduction to ensure those line-items are within the required caps.

If the remaining reduction is less than $500,000, IHCDA will reduce the amount set-aside for rental activities. If the remaining reduction is greater than $500,000 a proportional decrease will be set for Rental Construction, TBRA and Homeownership Contraction.

HTF contingency plan

If IHCDA receives more HTF funding than stated under this proposed plan, the increase in funds would be applied to the admin set-aside and construction set-aside proportionally.

If IHCDA receives less HTF funding than stated under this proposed plan, the decrease in funds would be applied to the admin set-aside and construction set-aside proportionally.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name
Lead Agency	Office of Community and Rural Affairs
CDBG Administrator	Office of Community and Rural Affairs
HOME Administrator	Indiana Housing & Community Development Authority
ESG Administrator	Indiana Housing & Community Development Authority
HOPWA Administrator	Indiana Housing & Community Development Authority
HTF Administrator	Indiana Housing & Community Development Authority

Table 1 – Responsible Agencies

Consolidated Plan Public Contact Information

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PR-10 Consultation - 91.110, 91.300(b); 91.315(l)

Introduction

This section describes the stakeholder consultation and citizen participation efforts to gather input into the 2020-2024 Consolidated Plan and 2020 Action Plan.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

OCRA community liaisons, located throughout the State, help OCRA design and direct programs that are consistent with the goals and needs of local communities. Community liaisons facilitate meetings with local officials, State and Federal agencies, and nonprofit agencies and service providers.

IHCDA is participating in the following state taskforces which bring together multiple state agencies and key stakeholders:

- The "Housing as Medicine" taskforce that includes representatives from the state's health department and Medicaid office.
- The "Social Determinants of Health" task force. This taskforce includes representatives from the state's health department and Medicaid office as well as a variety of other stakeholders. The group is currently reviewing and evaluating a spectrum of state programs and policies for alignment opportunities and to promote healthy outcomes.
- The "Recovery Housing" task force led by the Governor's Office and the Division of Mental Health and Addiction. This group is reviewing best practices in recovery housing models to identify gaps and potential legislative proposals needed to better fund and operate recovery housing in the state.
- The Division of Mental Health and Addiction's "Housing Work Group." This group focuses on identifying housing resources and the connection between housing and services for persons living with mental illness and substance use disorders.

IHCDA also offers training and webinars to partner organizations on topics ranging from program application requirements to funds management to weatherization courses. IHCDA maintains a Resource Center on its website with detailed manuals that instruct its partners on how to develop and administer programs. The Lt. Governor and IHCDA My Community, My Vision pilot program encourages high school students to become involved in their communities by collaborating with local government officials and civic leaders to envision community development projects.

Consistent with past years, when funding rounds were open, webinars and regional visits were held to educate potential grantees about the application process.

IHCDA has also continued to partner with the State Department of Heath on Lead based Paint and is partnering with ISDOH on the Lead Hazard Reduction Demonstration Grant. Additionally, the Continuum of Care and ESG recipients are taking Lead Based Paint training to be able to better assist clients with identifying health concerns in units older than 1978. Brochures and guidance are provided to clients to support them in caring for their families when it comes to lead based paint exposure.

IHCDA has also established a strong relationship with the Family and Social Services Administration (FSSA) to coordinate affordable assisted living rental housing production and housing for persons with intellectual or developmental disabilities, or persons who have a chemical addiction.

IHCDA has taken a leadership role amongst Indiana Public Housing Authorities to promote the development of Permanent Supportive Housing and increase utilization of the VASH program. IHCDA has utilized its housing choice voucher program to provide rental assistance in PSH developments around the state. In the last year IHCDA has started to provide Technical Assistance to other PHAs in the state to encourage them to project base a portion of their HCV allocation for PSH. In the VASH program IHCDA has developed relationships with PHAs around the state to allow veterans to utilize the VASH program where they would like regardless of if the local PHA has a VASH program.

The Continuum of Care continues its work with Formula cities that receive ESG funds to provided consultation and review project performance. Specific metrics will be identified to help cities measure the effectiveness of city and state funded ESG projects. The is a collaboration between the Cities, State and the HUD CPD office to begin the process of utilizing funding with efficiency and to meet the most pressing needs statewide.

IHCDA will continue to sponsor a host of learning opportunities for ESG and HOPWA grantees on the topics of Fair Housing, Rapid ReHousing (RRH), Housing First and other case management trainings to support their work statewide.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The IN-502 Continuum of Care (CoC) Board serves and acts as the oversight and planning body on preventing and ending homelessness for the CoC General Membership Body. The Board comprises a diverse set of geographically representative stakeholders with the knowledge and expertise to create policy priorities and make funding decisions related to homelessness. The CoC Board or the Executive Committee meets 10 times per year. IN-502 covers every county in the state except for Marion County (equivalent to the City of Indianapolis).

The CoC Board members represent populations in the homeless community, as well as subpopulations including chronic homeless, seriously mentally ill, chronic substance abuse, families, domestic violence, youth and veterans. There are two representatives from the Regional Planning Councils on Homelessness across the Balance of the State.

The State ESG program presents their program plans to the CoC Board, in addition to entitlement cities at their annual round table meeting. This year further collaboration will begin to build a more efficient and performance-based system to end homelessness. Metrics for performance will be considered and as appropriate will become CoC policy.

The Executive Committee provides governance of process and the structure of the CoC IN-502 general membership and CoC Board. They oversee the MOAs with IHCDA and provide the overall communications to the CoC IN-502.

The Resource & Funding Committee oversees local, State, and Federal funding for the CoC and seeks new opportunities for funding to end homelessness, such as Section 811 PRAD, McKinney Vento Competitive Applications and the Consolidated State Plan Application for the ESG funding. The Committee works with the Interagency Council, Indiana Department of Corrections, Family of Social Service Administration, Division of Mental Health and Addictions, Veterans Administration, Department of Education, and the Department of Child Services. The objective is to ensure integration of CoC and ESG under the same performance standards, meeting all the needs and gaps in the CoC.

The Performance & Outcome Committee oversees the Homeless Management Information System (HMIS) grant to provide oversight and help to develop, maintain, and update the statewide HMIS including the development and implementation of data protocols, reporting, policies and problem solving measures, and meeting all HUD benchmarks.

Two other committees work to address specialized needs: the Veterans Committee and the Youth and Families Committee.

Describe consultation with the Continuum(s) of Care that serves the state in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

In determining the ESG Allocation, a request for proposals is distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, to the current sub-recipients of the ESG program and current permanent supportive housing rental assistance programs who have had experience with rental assistance.

Each proposal is reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer completes a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable).

The performance standards for ESG were developed in conjunction with the governing body for the Balance of State CoC Board and the Funding & Resource Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act.

Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

More than 200 stakeholders participated in an online survey about housing and community development needs in the areas they work and live.

Additional stakeholder interviews were conducted with specialists in housing, community development, and local government affairs. These interviews were conducted during development of the plan and continued through the 30-day public comment period to encourage feedback on the draft Consolidated Plan.

Three focus groups with elected officials and economic development officials in nonentitlement areas were conducted on February 25 and 26, 2020.

Resident focus groups are planned for the Spring to inform the update to the state's Analysis of Impediments to Fair Housing Choice.

These efforts were supplemented with regional meetings with local officials, nonprofits, businesses and other stakeholders, conducted by OCRA and IHCDA.

A summary of the organizations represented by participating stakeholders is shown in the following table.

Type of Organization/Agency/Group or Clients Represented	% Responding to Stakeholder Survey
Government (local, state, federal)	34%
Economic Development	22%
Other (e.g., Parks & Recreation Dept., United Way, community foundations, and public health agencies)	17%
Grant administrator	15%
Nonprofit housing developer	10%
Education	9%
Business owner/manager	9%
Services for seniors	9%
Services for persons with disabilities	8%
Homeless services	8%
Multifamily development	8%
Property management	8%

Fair housing	6%
Advocacy and/or legal services	6%
Landlord/residential rental	5%

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

None. All agency types had the opportunity to participate in the development of the 2020-2024 Consolidated Plan through the open stakeholder survey and public forums.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Indiana Balance of State Continuum of Care	State of Indiana Continuum of Care	ESG goals are developed in concert with CoC planning.
IHCDA Strategic Plan	IHCDA	Housing priorities support the strategic plan initiative to "Create and preserve housing for Indiana's most vulnerable population." Both housing and community development goals support self-sufficiency initiative and improve resident quality of life and strengthen communities in rural areas.
2020 Next Level Agenda	Governor of Indiana	CDBG goals and priorities support many aspects of the plan including supporting recovery from substance abuse addiction and enhancing educational attainment and broadband access.

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination among the State and any units of general local government, in the implementation of the Consolidated Plan (91.315(l))

As part of the proposed program changes for the Main Street Revitalization; Public Facilities Program; and Wastewater and Stormwater Programs, OCRA sponsored three focus groups with local leaders and economic development officials throughout the state. These focus groups elicited feedback on the proposed program changes, in addition to collecting information on the greatest needs in the state's nonentitlement areas.

Cooperation and coordination efforts are ongoing throughout the program year. For example, OCRA community liaisons, located throughout the State, help OCRA design and direct programs that are consistent with the goals and needs of local communities. Community liaisons facilitate meetings with local officials, State and Federal agencies, and nonprofit agencies and service providers.

IHCDA offers ongoing access to and consultation with staff to help nonprofit housing developers and providers.

PR-15 Citizen Participation - 91.115, 91.300(c)

Summary of citizen participation process/Efforts made to broaden citizen participation

Residents and stakeholders had many opportunities to participate in the development of the Consolidated Plan. These are summarized below and in the following table.

- More than 200 stakeholders participated in an online survey about housing and community development needs in the areas they work and live.
- Additional stakeholder interviews were conducted with specialists in housing, community development, and local government affairs. These interviews were conducted during the 30-day public comment period to encourage feedback on the draft Consolidated Plan.
- Three focus groups with elected officials and economic development officials in nonentitlement areas were conducted on February 25 and 26, 2020.
- Resident focus groups are planned for the Spring to inform the update to the state's Analysis of Impediments to Fair Housing Choice.
- The draft Consolidated and 2020 Action Plan is available for public review and comment beginning on February 18, 2020. The comment period extends through April 10, 2020. During this period, the Consolidated Plan will be updated to reflect changes in funding allocations if HUD's 2020 allocation to the state changes significantly.

These efforts were supplemented with regional meetings with local officials, nonprofits, businesses and other stakeholders, conducted by OCRA and IHCDA.

Citizen Participation Outreach

The methods of resident and stakeholder outreach used to elicit input into the 2020-2024 Consolidated Plan and 2020 Action Plan is summarized in the following table.

Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Online survey	Housing and community development professionals representing nonentitlement areas	Units of local, economic development, business owners and managers, social service providers, education regional planners, advocates, housing providers. More than 200 stakeholders participated in the online survey.	The top housing needs include: 1) homeownership opportunities for low income and moderate income households; 2) housing repair for low income households. Housing for extremely low income, very low income and low income persons is a concern across the board.	N/A; all comments are accepted.	https://www.research.net/r/2020Indiana

Stakeholder interviews	Housing and community development professionals representing nonentitlement areas	12 stakeholders participated in in-depth interviews.	A lack of housing stock in general, including affordable and quality housing stock, particularly in rural communities and for special populations. It is becoming more difficult for nonprofit developers to develop new and rehab existing housing stock, due to the growing construction costs. Demand for, yet lack of, quality Internet access in some areas.	N/A; all comments are accepted.	

			A focus on social determinants to health when making housing decisions, such as hiring a community navigator or developing near a health clinic, are becoming more top-of-mind. State-led support, with a focus on building local capacity, for example, by generating financial opportunities and hosting collaborative events across the State, is highly valued by stakeholders.		

Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Focus groups	Elected officials and economic development officials	TBD	Will be summarized once focus groups are complete.	N/A; all comments are accepted.	
Public hearing	All interested stakeholders and residents/broad community	Webinar broadcast among five locations in nonentitlement areas statewide.	Will be summarized once hearing is complete.	N/A; all comments are accepted.	

Table 4 – Citizen Participation Outreach

Summarize citizen participation process and how it impacted goal-setting

Information was collected from stakeholders and residents throughout the development of the Consolidated Plan for both goal-setting and development of the Method of Distribution and program and policy documents. A special effort was made to collect information from economic development officials and local government leaders on the proposed changes for some CDBG programs. Open ended survey responses and feedback from stakeholders who were interviewed during the public comment period were also considered in program design and implementation.

The top housing and community development needs identified in the citizen participation process were evaluated against the State's past five-year goals and allocation plans to ensure that the State is funding the greatest eligible needs. For this five-year plan, the overall goals were modified to best address the needs expressed through the citizen participation process and to better align with OCRA and IHCDA strategic plans and initiatives. (It is important to note that development of public transportation systems, identified as a top community development need in rural areas, is not a CDBG eligible activity).

Needs Assessment

NA-05 Overview

Needs Assessment Overview

This section uses HUD pre-populated tables, supplemental data on the needs of non-homeless special needs populations and persons who are homeless, and contributions from stakeholder consultation to summarize the top housing and community development needs statewide and, where available, in nonentitlement areas of Indiana.

- Indiana has 1.2 million residents age 62 and older, of which 100,00 have a self-care disability. Households with seniors total 778,000 and those with housing needs are expected to grow by 2,500 households by 2025.
- Indiana residents with mental, physical, and/or developmental disabilities total 900,000 and occupy 680,000 households. By 2025, these households with needs will grow by 7,000.
- More than 360,000 persons in Indiana struggle with substance abuse challenges.
- 271,076 residents 18 and older in Indiana have experienced some type of domestic violence, dating violence, sexual assault and/or stalking by an intimate partner in the previous year. In the most severe cases, these victims must leave their homes: 4,850 women and 1,280 men who are victims of domestic violence in Indiana require housing services each year.
- Extremely low income households—those earning incomes below the poverty level—total 310,000 in Indiana. Those with housing needs will grow by 7,000 in five years.
- Low income households—those earning incomes between the poverty level and the median income—total 300,000 in Indiana. Their needs will grow by 5,000 in five years.

Stakeholders were asked their opinions about top housing and community development needs in Indiana via an online survey for this Consolidated Plan. Housing for extremely low income, very low income and low income persons was a concern across the board. The needs prioritized by stakeholders include: affordable rentals for very low income households; homeownership opportunities for low income residents (earning less than 80% AMI or about $45,000/year) and also homeownership opportunities for moderate income residents (earning 80-120% AMI or generally between $50,000 and $75,000/year). Additionally, housing repair for low income residents is a high priority.

A lack of housing stock in general, including affordable and quality housing stock, particularly in rural communities, are very common concerns shared by both survey respondents and interviewees. It is becoming more difficult for nonprofit developers to take build new and rehab existing housing stock, due to the growing construction costs.

Low wages in general and low minimum wage is the single most important issue continuing to affordability of quality housing.

Infrastructure for Internet access and public transportation for all are the top two community needs—the top barrier to Internet being that wiring/connections are not available in rural areas.

NA-10 Housing Needs Assessment - 24 CFR 91.305 (a, b,c)

Summary of Housing Needs

Although median income has risen for households overall in Indiana since 2012, many households still struggle with housing costs due to their very low income levels and increasing rents.

Severe cost burden and severe housing problems, for extremely low income renter and owner households, are the most common housing problems in the State of Indiana. According to the 2011-2015 CHAS data, nearly 124,000 extremely low income rental households in the State of Indiana experience severe cost burden (54% of all extremely low income households). Among extremely low income owner households, a lower number but comparable proportion (55,245 or 46%) are severely cost burdened.

A severe housing problem is defined by households with one or more severe housing problems that include lack of kitchen or incomplete plumbing, severe overcrowding and/or severe cost burden.

CHAS data suggest that nearly 140,000 extremely low income rental householders experience one or more severe housing problems (65% of all low income rental households). Among extremely low income owner households, 58,800 (58%) have one or more severe housing problems.

Overall, households living in nonentitlement areas with the greatest needs represent about **7 percent of all households** in Indiana.

These findings are based on the HUD-provided table, shown below.

For the purposes of this plan, these definitions will be used consistently throughout the NA and MA sections.

- 0-30% AMI (Area Median Income) = extremely low income
- 30-50% AMI = very low income
- 50-80% AMI = low income
- 80-100% AMI = low to moderate income

Demographics	Base Year: 2012	Most Recent Year: 2018	% Change
Population	6,485,530	6,637,426	2%
Households	2,478,846	2,553,818	3%

Demographics	Base Year: 2012	Most Recent Year: 2018	% Change
Median Income	$48,374	$54,325	12%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2012 5-Year ACS (Base Year), 2018 5-Year ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	310,150	301,755	454,540	273,200	1,162,295
Small Family Households	103,050	91,670	158,285	107,230	631,975
Large Family Households	20,735	21,670	37,910	23,230	100,500
Household contains at least one person 62-74 years of age	44,340	60,360	97,360	62,270	239,285
Household contains at least one-person age 75 or older	34,190	63,805	72,705	30,840	73,195
Households with one or more children 6 years old or younger	62,405	49,540	74,070	43,485	125,910

Table 6 - Total Households Table

Data Source: 2011-2015 CHAS

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**	**0-30% AMI**	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	3,845	3,090	3,310	970	11,215	1,595	1,550	1,705	785	5,635
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	2,610	1,480	1,480	605	6,175	255	430	700	315	1,700
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	5,715	4,025	4,670	1,560	15,970	1,705	2,075	3,965	2,205	9,950
Housing cost burden greater than 50% of income (and none of the above problems)	123,995	34,825	4,405	535	163,760	55,245	33,050	17,720	3,710	109,725

	Renter					Owner				
	0-30% AMI	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**	**0-30% AMI**	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**
Housing cost burden greater than 30% of income (and none of the above problems)	23,115	72,645	51,270	5,540	152,570	17,690	43,150	70,475	27,030	158,345
Zero/negative Income (and none of the above problems)	23,660	0	0	0	23,660	11,285	0	0	0	11,285

Table 7 – Housing Problems Table

Data Source: 2011-2015 CHAS

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**	**0-30% AMI**	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Tot**
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	136,165	43,415	13,870	3,670	197,120	58,800	37,105	24,090	7,015	127
Having none of four housing problems	48,780	108,025	156,360	73,355	386,520	31,455	113,210	260,220	189,155	594
Household has negative income, but none of the other housing problems	23,660	0	0	0	23,660	11,285	0	0	0	11

Table 8 – Housing Problems 2

Data Source: 2011-2015 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	**>30-50% AMI**	**>50-80% AMI**	**Total**	**0-30% AMI**	**>30-50% AMI**	**>50-80% AMI**	**Total**
NUMBER OF HOUSEHOLDS								
Small Related	59,675	41,130	20,490	121,295	22,815	23,950	34,070	80,835
Large Related	11,975	7,820	2,975	22,770	5,080	6,710	7,595	19,385
Elderly	22,615	23,630	12,710	58,955	29,480	33,885	29,550	92,915

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Other	62,665	40,170	21,835	124,670	17,955	13,595	17,960	49,510
Total need by income	156,930	112,750	58,010	327,690	75,330	78,140	89,175	242,645

Table 9 – Cost Burden > 30%

Data Source: 2011-2015 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	51,550	11,375	740	63,665	18,555	10,815	6,140	35,510
Large Related	10,060	1,500	105	11,665	3,900	2,180	1,150	7,230
Elderly	16,105	9,160	2,600	27,865	19,860	13,445	6,720	40,025
Other	54,245	14,345	1,910	70,500	14,695	7,030	3,910	25,635
Total need by income	131,960	36,380	5,355	173,695	57,010	33,470	17,920	108,400

Table 10 – Cost Burden > 50%

Data Source: 2011-2015 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	7,255	4,840	4,800	1,555	18,450	1,600	2,125	3,620	1,910	9,255
Multiple, unrelated family households	755	520	1,020	335	2,630	415	540	1,180	660	2,795

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Other, non-family households	535	260	435	340	1,570	50	35	40	35	160
Total need by income	8,545	5,620	6,255	2,230	22,650	2,065	2,700	4,840	2,605	12,210

Table 11 – Crowding Information – 1/2

Data Source: 2011-2015 CHAS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present								

Table 12 – Crowding Information – 2/2

Describe the number and type of single person households in need of housing assistance.

The number of single person households for the State of Indiana is 727,838. Of these single person households, 89,725 (or 12%) need housing assistance. This is based on the number of single person households living below the poverty level. In the next five years, the number of single person households in need of housing assistance is projected to grow to 92,106 households.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Households with disabilities.

More than 678,645 households in Indiana's nonentitlement areas have a disability (hearing or vision impairment, ambulatory limitation, cognitive limitation or self-care or independent living limitation). An estimated 35 percent of households living with a disability have a housing need—equal to 238,724 households—based on the housing problems (CHAS) data provided by HUD. In the next five years, households with disabilities in need of housing assistance is projected to grow by 245,057 households.

Victims of domestic violence.

According to the Centers for Disease Control (CDC), 37 percent of women and 34 percent of men aged 18 or older have experienced contact sexual violence, physical violence, or stalking by an intimate partner in their lifetime. Annual incidence rates—meaning the proportion of people who have experienced contact sexual violence, physical violence, or stalking by an intimate partner in the previous year—are 5.5 percent for women and 5.2 percent for men.

Applying these rates to the State of Indiana's women and men over 18 indicates that 271,076 residents 18 and older are likely to have experienced some type of domestic violence, dating violence, sexual assault and/or stalking by an intimate partner in the previous year. National statistics show that 3.6 percent of women and 1.0 percent of men experiencing intimate partner violence need housing services. In the State of Indiana, these statistics suggest that 4,850 women and 1,280 men who are victims of domestic violence require housing services each year.

Although the supportive and housing services needed by intimate partner violence (IPV) victims vary, generally, all need health care and counseling immediately following the event and continued mental health support to assist with the traumatic stress disorder related to the event. Victims may also require assistance with substance abuse and mental health services, both of which are common among IPV victims.

Affordable housing is also critical: The National Alliance to End Homelessness argues that a "strong investment in housing is crucial [to victims of domestic violence] …so that the family or woman is able to leave the shelter system as quickly as possible without returning to the abuse." The Alliance also reports that studies on homelessness have shown a correlation between domestic violence and homelessness.[1]

What are the most common housing problems?

Severe cost burden and severe housing problems, for extremely low income renter and owner households, are the most common housing problem in the State of Indiana.

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[1] http://www.endhomelessness.org/pages/domestic_violence

HUD's CHAS data suggest that nearly 140,000 extremely low income rental householders experience one or more severe housing problems (65% of all low income rental households). Among extremely low income owner households, 58,800 (58%) have one or more severe housing problems.

Are any populations/household types more affected than others by these problems?

Yes. Those households who are most affected by housing problems, especially extreme cost burden, include:

- Extremely low income renters earning 0-30 percent AMI (123,995 households)—54 percent experience severe cost burden.
- Extremely low income homeowners earning 0-30 percent AMI (55,245 households)—46 percent experience severe cost burden.
- Both renter households and homeownership households are susceptible to living in overcrowded conditions. Crowding is particularly prevalent in single person households. 18,450 (or 81%) of single person, low income renters face crowding problems. Likewise, 9,255 single person homeowners (or 76%) experience overcrowding.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

The 2019 Point in Time count conducted in January of 2019 showed an increase of individuals experiencing homelessness from 3576 in 2018 to 3904 in 2019. Of those individuals counted in 2019, 817 were under 18, 250 were 18-24, and 2837 were over 24. All age ranges saw an increase from one year to the next. Households counted who included at least one adult and one child totaled 1276 individuals or 423 households. Of those counted in this subcategory, 780 were female, 495 were male, 1 was transgender. Other demographics collected included ethnicity, race, and chronic homelessness. In the family category 1173 were non-Hispanic/non-Latino and 103 were Hispanic/Latino; 771 were white, 414 were black or African American, 5 were Asian, 12 were American Indiana or Alaska Natives, 2 were Native Hawaiian or Other Pacific Islander, and 72 were multiple races.

The Point in Time count is collected once per year but IHCDA also provides System Performance Measures (SPM) to HUD around the performance of the clients collected in the HMIS system. In the 2018 SPM submission, 87 percent of individuals counted were in emergency shelter and 38.7 percent of individuals in emergency shelter, safe havens, transitional housing, and other rapid rehousing successfully exited to permanent supportive housing in the 2018 calendar year. Of the 2049 who made the transition from emergency shelter to permanent supportive housing, 222 returned to homelessness in less than 6 months (11%), 5 percent returned after 6-12 months, 6 percent returned after 13-24 months, and 22 percent returned after more than 2 years.

The needs for individuals at risk of homelessness can vary by region. In general, IHCDA finds that individuals become at risk of homelessness when they have exhausted all other avenues of support. They do not have the ability to afford their housing or their housing is substandard. Loss of jobs or a decrease income contribute to these issues. Moreover, factors such as domestic violence situations, mental health or substance use disorders, past conviction or evictions, and lack of family support can all affect an individual's ability to remain housed.

The Balance of State Continuum of Care (CoC)works to prevent and end homelessness for families and all populations through a continuum approach. The CoC evaluates the vulnerability of individuals at risk of homelessness or experiencing homelessness through its Coordinated Entry assessment tool. This evaluation helps organizations understand what program with which to match up the individual or family. Rapid rehousing ESG funds allow for rental and utility assistance to avoid an individual/family from going into homelessness. To supplement this funding, IHCDA also administers TANF block grant dollars for families at risk of homelessness as well. If the individual or family is near the end of its RRH assistance, they are connected to other assistance including the possibility of CoC permanent supportive housing, diversion tactics, or CoC RRH dollars.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

IHCDA follows the operational definition provided by HUD for those who are an at-risk group. For individuals and families that includes

An individual or family who: (i) Has an annual income below 30% of median family income for the area; AND (ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the "homeless" definition; AND (iii) Meets one of the following conditions: (A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR (B)Is living in the home of another because of economic hardship; OR (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR (E) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR (F) Is exiting a publicly funded institution or system of care; OR (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved Con Plan

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

IHCDA follows HUD's guidance on what characteristics may link to instability or an increased risk of homelessness. Those factors tie to the above definition of "at risk" and can include lack of income and affordable housing, consistent change in housing or location, risk of eviction, living in a hotel/motel, overcrowding, existing public institutions or system of care, as well as those experiencing domestic violence, stalking, or fleeing a domestic violence situation.

NA-15 Disproportionately Greater Need: Housing Problems - 91.305 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

A disproportionately greater need exists when the members of a racial or ethnic group at any income level experience housing problems at a greater rate (defined as 10 percentage points or more) than the income level as a whole or white households within the same income bracket. For example, assume that 60 percent of all low income households within a jurisdiction have a housing problem and 70 percent of low income Hispanic households have a housing problem. In this case, low income Hispanic households have a disproportionately greater need.

Per the regulations at 91.205(b)(2), 91.305(b)(2), and 91.405, a grantee must provide an assessment for each disproportionately greater need identified. Although the purpose of these tables is to analyze the relative level of need for each race and ethnic category, the data also provide information for the jurisdiction as a whole that can be useful in describing overall need.

Disproportionate housing needs in a population are defined as having one or more of the following four housing problems in greater proportion than the jurisdiction as a whole or than White households:

1) Living in housing that lacks complete kitchen facilities;
2) Living in housing that lacks complete plumbing facilities;
3) More than one person per room (overcrowded); and
4) Cost burden greater than 30 percent of Area Median Income (AMI).

Introduction

This section discusses housing problems as defined by HUD, using HUD-prepared housing needs data. The tables show the number of Indiana nonentitlement households that have housing problems by income and race and ethnicity.

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	235,726	39,549	35,079
White	159,031	29,489	21,751
Black / African American	49,078	7,113	8,216
Asian	4,612	289	2,499
American Indian, Alaska Native	841	145	121

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Pacific Islander	37	25	40
Hispanic	17,833	1,728	1,991

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	196,430	105,257	0
White	146,960	88,824	0
Black / African American	28,873	9,113	0
Asian	3,004	904	0
American Indian, Alaska Native	421	259	0
Pacific Islander	14	0	0
Hispanic	14,082	4,822	0

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	159,735	294,880	0
White	128,611	248,070	0
Black / African American	17,584	25,995	0
Asian	2,018	3,134	0
American Indian, Alaska Native	363	709	0
Pacific Islander	10	95	0
Hispanic	9,274	13,377	0

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	43,281	229,875	0
White	36,254	198,106	0
Black / African American	3,594	16,528	0
Asian	688	2,610	0
American Indian, Alaska Native	30	339	0
Pacific Islander	0	14	0
Hispanic	2,070	10,047	0

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Discussion

This section discusses the income categories in which a racial or ethnic group(s) has disproportionately greater need to housing problems.

All groups have relatively high rates of housing problems with a disproportionately high rate of need, particularly with households 30-50 percent AMI, relative to the jurisdiction as a whole.

0-30% AMI.
Eighty-six percent of all households earning 30 percent AMI or less have at least one of the four housing problems. Across all races and ethnicities, housing problems are very high with no single race or ethnicity disproportionately impacted by housing needs.

30-50% AMI.
While lower compared to the 0-30 percent AMI income level, all households in this income groups still have relatively high rates of housing needs. In the jurisdiction overall, 65 percent of households have at least one housing problem.

For households earning 30-50 percent of AMI, all racial or ethnic groups, with the exception of American Indian, Alaska Native experience a disproportionate need than the jurisdiction overall and White populations.

- African Americans households have a disproportionate need of 14 percentage points higher than White households (11% jurisdiction overall).
- Asian households have a disproportionate need of 15 percentage points higher than White households (12% jurisdiction overall).
- Pacific Islander households have a disproportionate need of 38 percentage points higher than White households (35% jurisdiction overall). Note: There are less than 15 Pacific Islander households earning 30%-50% AMI.
- Hispanic have a disproportionate need of 12 percentage points higher than White households (9% jurisdiction overall).

50-80% AMI.
For households earning 50-80 percent of AMI, 35 percent (or 159,735) have at least one of the four housing problems with no disproportionate need among racial groups.

80-100% AMI.
For households earning 80-100 percent of AMI, 16 percent (or 43,281) have at least one of the four housing problems with no disproportionate need among racial groups.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

This section discusses severe housing needs as defined by HUD, using HUD-prepared housing needs data. The tables show the number of Indiana nonentitlement households that have severe housing problems by income and race and ethnicity.

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	195,039	80,311	35,079
White	130,138	58,481	21,751
Black / African American	41,068	15,152	8,216
Asian	4,256	652	2,499
American Indian, Alaska Native	642	344	121
Pacific Islander	37	25	40
Hispanic	15,304	4,252	1,991

Table 17 – Severe Housing Problems 0 - 30% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	80,705	221,006	0
White	60,159	175,660	0
Black / African American	11,353	26,642	0
Asian	1,578	2,338	0
American Indian, Alaska Native	103	576	0

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Pacific Islander	10	4	0
Hispanic	5,938	12,954	0

Table 18 – Severe Housing Problems 30 - 50% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	37,945	416,540	0
White	30,259	346,197	0
Black / African American	3,228	40,340	0
Asian	626	4,545	0
American Indian, Alaska Native	83	990	0
Pacific Islander	0	105	0
Hispanic	3,209	19,468	0

Table 19 – Severe Housing Problems 50 - 80% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	10,687	262,487	0
White	8,430	225,950	0
Black / African American	834	19,312	0
Asian	305	2,999	0
American Indian, Alaska Native	10	359	0
Pacific Islander	0	14	0
Hispanic	1,009	11,113	0

Table 20 – Severe Housing Problems 80 - 100% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Discussion

This section discusses the income categories in which a racial or ethnic group(s) has disproportionately greater need to severe housing problems.

Most households earning 0%-30% AMI are much more at risk of disproportionately higher rates of need than households with higher AMI.

0-30% AMI.

Seventy-one percent (or 195,039) of all households earning 30 percent AMI or less have at least one of the four severe housing problems. Across all races and ethnicities in this income bracket, housing problems are very high, with Asian households experiencing a disproportionate need of 18 percentage points than White households.

30-50% AMI.

Households earning 30-50% AMI are less likely to experience severe housing problems than households earning 0-30% AMI. However, 27 percent (or 80,705) households still have severe housing needs.

For households earning 30-50 percent of AMI:

- Asian households have a disproportionate need of 15 percentage points higher than White households (14% jurisdiction overall).

- Pacific Islander households have a disproportionate need of 46 percentage points higher than White households (45% jurisdiction overall). Note: There are 10 Pacific Islander households earning 30%-50% AMI.

50-80% AMI.
For households earning 50-80 percent of AMI, less than 10 percent have at least one of the four severe housing problems with no disproportionate need among racial groups.

80-100% AMI.
For households earning 80-100 percent of AMI, less than 5 percent have at least one of the four severe housing problems with no disproportionate need among racial groups.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.305 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

This section provides data on households with disproportionate levels of housing cost burden. Cost burden is experienced when a household pays more than 30 percent of their gross household income toward housing costs, including utilities. Severe cost burden occurs when housing costs are 50 percent or more of gross household income.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	1,817,430	357,003	290,630	36,606
White	1,590,495	280,403	207,807	22,513
Black / African American	113,926	45,876	52,519	8,671
Asian	24,999	4,599	5,518	2,624
American Indian, Alaska Native	2,983	887	775	151
Pacific Islander	286	28	37	40
Hispanic	67,784	20,481	18,795	2,166

Table 21 – Greater Need: Housing Cost Burdens AMI

Data Source: 2011-2015 CHAS

Discussion

The table above shows the level of housing cost burden by race/ethnicity of households. For the jurisdiction overall, 1,817,430 households pay less than 30 percent of their income in housing costs. 357,003 (or 15%) of households pay between 30-50 percent of their income in housing costs and are cost burdened, and 290,630 (or 12%) of households pay more than 50 percent and are severely cost burdened.

1 in 4 African American households (or 25%) experience severe cost burden and are disproportionately severely cost burdened at a rate of 13 percentage points than the jurisdiction as a whole.

NA-30 Disproportionately Greater Need: Discussion – 91.305 (b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Disproportionately greater housing cost burden occurs in all racial and ethnic households earning 30-50 percent AMI. However, 1 in 4 African American households (or 25%) experience *severe* cost burden and are disproportionately *severely* cost burdened at a rate of 13 percentage points than the jurisdiction as a whole. Additionally, Asian households earning 50 percent or less AMI experience higher rates of *severe* housing problems compared to the jurisdiction as whole.

If they have needs not identified above, what are those needs?

In addition to cost burden, many low income households living in rural areas, regardless of race or ethnicity, need housing rehabilitation assistance. Many low income residents in rural areas are financially unable to make needed repairs. Making needed repairs not only improves residents' safety and quality of life, it helps to preserve affordable housing in areas where it is limited.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

Of the 590,000 Indiana residents who identified their race as African American in 2010, 41 percent lived in Marion County and 22 percent lived in Lake County. That is, 63 percent of the State's African American population in 2010 lived in just two of the State's 92 counties.

Comparatively, just 10 percent of the State's White residents live in Marion County and 6 percent live in Lake County. Twenty-two percent and 21 percent, respectively, of Hispanic residents live in Marion County and Lake County.

GIS analysis of racial dispersion shows that African Americans are more concentrated in just a handful of counties in the state, mostly those that contain larger urban areas. Hispanic residents tend to live in the State's most urbanized counties too—but also have higher-than-average populations in many rural counties.

NA-35 Public Housing – (Optional)

Introduction

This section provides an overview of the Housing Choice Voucher (HCV) program administered by the Indiana Housing and Finance Authority (IHCDA). IHCDA does not own and operate any public housing units. The data in the following tables were pre-populated by HUD and are based on reports filed by PHAs and data maintained by a public housing data center, in addition to data in IHCDA's annual report.

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of unit's vouchers in use	0	0	0	35,200	30,000	5,200	2	0	93

Table 22 - Public Housing by Program Type

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Data Source: PIC (PIH Information Center) and ICHDA 2018 Annual Report.

Characteristics of Residents

Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project - based	Tenant - based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# Homeless at admission	0	0	0	23	0	23	0	0
# of Elderly Program Participants (>62)	0	0	0	888	0	859	0	0
# of Disabled Families	0	0	0	1,497	0	1,425	0	0
# of Families requesting accessibility features	0	0	0	3,973	0	3,868	2	0
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	0	3,367	0	3,281	2	0	75
Black/African American	0	0	0	574	0	557	0	0	17
Asian	0	0	0	7	0	6	0	0	0

Race	Certificate	Mod-Rehab	Public Housing	Vouchers: Total	Vouchers: Project - based	Vouchers: Tenant - based	Special Purpose Voucher: Veterans Affairs Supportive Housing	Special Purpose Voucher: Family Unification Program	Special Purpose Voucher: Disabled *
American Indian/Alaska Native	0	0	0	22	0	21	0	0	1
Pacific Islander	0	0	0	3	0	3	0	0	0
Other	0	0	0	0	0	0	0	0	0
***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**									

Table 24 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers: Total	Vouchers: Project - based	Vouchers: Tenant - based	Special Purpose Voucher: Veterans Affairs Supportive Housing	Special Purpose Voucher: Family Unification Program	Special Purpose Voucher: Disabled *
Hispanic	0	0	0	127	0	125	0	0	2
Not Hispanic	0	0	0	3,846	0	3,743	2	0	91
***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**									

Table 2525 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

The State of Indiana does not maintain any public housing.

What are the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance? Based on the information above, and any other information available to the jurisdiction, what are the most immediate needs of residents of public housing and Housing Choice voucher holders?

Approximately 3,300 households are on IHCDA's wait list for Section 8 tenant based rental assistance. The most immediate need of residents on the waiting list for vouchers is rental units in rural and suburban Indiana.

How do these needs compare to the housing needs of the population at large

According to the stakeholders surveyed for this Consolidated Plan, housing problems for residents earning less than 50 percent of AMI is a top need for residents in general. However, housing needs have increased across the AMI spectrum, due to a variety of factors, such as limited and/or aging housing stock, more expensive construction costs and a widening middle-income gap.

NA-40 Homeless Needs Assessment – 91.305(c)

Introduction

This section summarizes the HUD 2019 Continuum of Care report that is based on point-in-time information provided to HUD by Continuums of Care (CoCs) as part of their CoC Program application process, per the Notice of Funding Availability (NOFA) for the Fiscal Year 2019 Continuum of Care Program Competition. CoCs are required to provide an unduplicated count of homeless persons according to HUD standards. HUD has conducted a limited data quality review but has not independently verified all of the information submitted by each CoC.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Nature and Extent of Homelessness: (Optional)
The 2020 PIT was not available at the time this report was prepared.

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

The PIT count gives a lower-bound estimate of the number and types of families in need of assistance. The count identifies families who are unsheltered and who are sheltered in emergency shelters or transitional housing. While all have acute needs, those in transitional housing have temporary housing and generally fewer short term needs.

As of the 2019 count:

1) Households with at least one adult and child totaled 425—6 unsheltered, 277 in emergency housing, 140 in transitional housing.
2) Unaccompanied youth totaled 192—36 unsheltered, 132 in emergency housing, 24 in transitional housing.
3) Parenting youth households totaled 35, with most, 26, living in emergency shelters and 7 in transitional housing.
4) Veterans in family settings totaled 12 with 11 living in emergency shelters.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.
Residents of Hispanic descent represent a small proportion of those experiencing homelessness at 4 percent of households without children, 9 percent of those with children, 8 percent of unaccompanied youth, 8 percent of parenting youth, and 3 percent of homeless veterans.

The most common race and ethnicity is Non-Hispanic White, representing 75 percent of households without children, 60 percent of those with children, 70 percent of unaccompanied youth, 65 percent of parenting youth, and 76 percent of homeless veterans.

African Americans represent between 20 and 25 percent of homeless household categories.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.
Overall, 17 percent of the 2,990 households identified as experiencing homelessness in the BoS count are unsheltered. Households that are more likely to be unsheltered than all homeless include unaccompanied youth (19% unsheltered) and households without children (also 19%).

It is important to note that the PIT count does not identify households who are doubled up, precariously housed, or in domestic violence or other unsafe situations. The actual number of vulnerable households, therefore, is must higher than the PIT count suggests.

NA-45 Non-Homeless Special Needs Assessment – 91.305 (b,d)

Introduction

This section discusses the needs of non-homeless special needs populations in Indiana. For the purposes of this report, these include:

- Elderly (defined as 62 or older): 1,235,406 residents;
- Frail elderly (defined as an elderly person who requires assistance with three or more activities of daily living, such as bathing, walking, and performing light housework): 89,802 residents;
- Persons with mental, physical, and/or developmental disabilities: 899,701 residents;
- Persons with alcohol or other drug abuse challenges: 112,405 residents;
- Domestic violence victims/survivors: 84,169 residents; and
- Persons living with HIV/AIDS: 5,400 with HIV and 5,400 with AIDS statewide with an estimated 500 in nonentitlement areas.

HOPWA

Current HOPWA formula use:	
Cumulative cases of AIDS reported	5,438
Area incidence of AIDS	
Number of new cases prior year (3 years of data)	
Rate per population	
Rate per population (3 years of data)	
Current HIV surveillance data:	
Number of Persons living with HIV (PLWH)	5,494
Area Prevalence (PLWH per population)	
Number of new HIV cases reported last year	

Table 26 – HOPWA Data

Data Source: CDC HIV Surveillance

HIV Housing Need (HOPWA Grantees Only)

Type of HOPWA Assistance	Estimates of Unmet Need
Tenant based rental assistance	0
Short-term Rent, Mortgage, and Utility	0
Facility Based Housing (Permanent, short-term or transitional)	0

Table 27 – HIV Housing Need

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

Describe the characteristics of special needs populations in your community:

Many people with special needs have limited income and likely to be receiving social security disability payments. Those with mobility or physical disabilities have a need for accessibility modifications to housing and access to reliable, affordable public transportation. Persons with a substance dependence such as alcohol or other drug addictions, are more likely to need affordable housing and supportive services.

Similar to most other states in the United States, there is a large, growing population of elderly among the State of Indiana, with 1,235,406 elderly persons. Of these, nearly 90,000 are considered frail elderly (defined as elderly persons who requires assistance with three or more activities of daily living, such as bathing, walking and performing light housework). Frail elderly are more likely to need daily self-care support.

Additional special needs populations include:

- Approximately 360,000 residents 18 years or older have a substance dependence addiction;
- 500 residents are living with HIV/AIDS.
- 900,000 residents are persons with a mental, physical and/or developmental disability.
- 270,000 residents are victims of domestic violence (such as rape, physical violence and/or stalking by an intimate partner).
- 5,471 persons identified as homeless and living in shelters in 2019.

What are the housing and supportive service needs of these populations and how are these needs determined?

As Indiana's population ages, more and more households need accessibility modifications to their homes, ranging from ramps and widening doors to installation of grab bars, raised toilets and roll-in showers.

These are improvements that many low income seniors cannot afford to make. Many of these homeowners also need assistance with yard work and exterior home maintenance. In addition, many seniors have high costs of medications and other home care needs which strains already limited incomes for housing and costs of daily living.

According to stakeholder feedback, for nonprofit developers, a focus on social determinants to health, particularly with special needs populations, such as hiring a community navigator or developing near a health clinic, are becoming more top-of-mind.

The primary housing needs of persons with disabilities is access to affordable, accessible housing. This can include modifications to existing structures—especially for aging homeowners who have recently become disabled—or rental subsidies to help persons with a disability living on fixed incomes to find affordable rental options. It is also important to provide opportunities for persons with disabilities to transition from institutions back into the community. In addition to housing opportunities, persons with disabilities my need additional supportive services such as community-based health supports and access to transportation.

Although the supportive and housing services needed by IPV victims vary, generally, all need health care and counseling immediately following the event and continued mental health support to assist with the traumatic stress disorder related to the event. Victims may also require assistance with substance abuse and mental health services, both of which are common among IPV victims. Affordable housing is also critical: the National Alliance to End Homelessness argues that a “strong investment in housing is crucial [to victims of domestic violence]…so that the family or woman is able to leave the shelter system as quickly as possible without returning to the abuse.” The Alliance also reports that studies on homelessness have shown a correlation between domestic violence and homelessness.

Domestic violence can have lasting health effects. The 2010 CDC survey found that IPV victims were more likely to report frequent headaches, chronic pain, difficulty sleeping, activity limitation, poor physical health and poor mental health, at rates higher than those who did not experience IPV violence. The long-term health costs of IPV is unclear, because it is difficult to separate out health care problems that are directly related to IPV. It is likely, though, that the negative impacts of IPV are felt throughout the broader community in health care costs, missed time at work and school and lasting psychological effects on children and victims.

For low income persons with HIV/AIDS, the challenge of finding affordable housing is increased by their need of medical attention and special HIV/AIDS treatment and housing is the key component to their stability and staying permanently housed. Similar to the homeless population, rental assistance can provide housing and services on where they are now in terms of all their needs. Services provided by a Care Coordination Program is one way to provide all services that a person may need during the time of diagnosis, treatment, services and housing options.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

Indiana consistently has an estimated 10,000 residents living with HIV/AIDS, with about 55 percent the living cases have had an AIDS diagnosis. The largest proportion of cases continues to be white males over the age of 40, and African Americans are still more disproportionately affected by the disease than any other demographic group.

Geographically, areas such Lake, Porter and LaPorte counties in the northwestern part of the state have the highest rates of HIV/AIDS.

Indiana's various instruments to assess the needs of people with HIV have yielded results which affirm the importance of the six core service areas originally defined by HRSA. In addition to Outpatient and Ambulatory Health Services, AIDS Drug Assistance Program Treatments, Oral Health Care, Medical Case Management, Mental Health Services, and Substance Abuse Outpatient Care, the Division has added Emergency Financial Assistance, Housing, and Medical Transportation to describe its priority service needs.

Of those living with HIV, the Indiana State Department of Health has estimated that 33 percent are not currently in care. The current continuum of care is designed to address this population by minimizing barriers and optimizing access to HIV-related medical and social services. The resources of the State's Ryan White Program grantees and other providers have been coordinated to impact each of the priority service needs in an effective and efficient manner.

NA-50 Non-Housing Community Development Needs - 91.315 (f)

Stakeholders responding to the survey and interviews conducted for this Consolidated Plan report the greatest housing and community development needs as:

1) Water and wastewater infrastructure improvements;
2) Expansions to broadband access;
3) Health care facilities to address addiction and mental health challenges; and
4) Lack of public transportation.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

The housing market in Indiana was analyzed using updated American Community Survey (ACS) data from 2018; employment data from the Quarterly Workforce Indicators dataset; new data from the Federal Housing Finance Agency on land valuation; and contributions from stakeholder consultation. Primary findings include:

Needs of Renters

- The percentage of renters who are cost burdened by county ranges from a high of 55 percent in Monroe County to a low of 20 percent in Switzerland County. Burden exists in many areas of the state and there are no clear patterns of concentrations.
- In most counties in the state, the median wage earner can manage the median rent. Exceptions are Hendricks, Brown, Union, Ohio, and Switzerland Counties.
- Even so, extremely low income renters lack affordable housing. Renters earning less than $25,000 per year—renters living below the poverty line—struggle to find units they can afford. Overall in Indiana, there are 23,000 extremely low income renters who cannot afford their rent.

Needs of Owners

- There are nearly 18,000 extremely low income owners in Indiana who are cost burdened.
- The rate of cost burden for owners is much lower than for renters: the county with the highest rate of cost burden is Ohio, where 20 percent of owners face cost burden. The lowest is in Pike at 8 percent. Cost burden varies less by county for owners than for renters.
- In Hamilton, Boone, Brown, Hendricks, Franklin, and Ohio counties, the median home value exceeds what the median-wage earner household could afford.
- Between 2012 and 2018, the value of single family residential land increased by more than 25 percent in Hamilton, Hancock, and Tippecanoe counties. Delaware, Howard, and Steuben counties saw large declines (22% to 25%).

Housing stock

- Indiana's housing stock is dominated by single family detached homes, which make up 73 percent of the state's housing stock.
- Housing units are generally large, with 72 percent of rental units and nearly all owner-occupied units—98 percent—having 2 or more bedrooms.
- Indiana's housing stock is older, with 999,414 owner-occupied and 477,267 renter-occupied housing units built before 1980, having children, and, as such, are vulnerable to of lead-based paint hazards.

MA-10 Number of Housing Units – 91.310(a)

Introduction

This section of the Consolidated Plan provides an overview of the type of housing units in Indiana. Data is gathered from two main sources: ACS 2018 5-Year, that is inclusive of the entire State and HUD CHAS data from 2011-2015, which is specific to nonentitlement communities.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	208,7452	73%
1-unit, attached structure	107,460	4%
2-4 units	173,455	6%
5-19 units	237,234	8%
20 or more units	125,085	4%
Mobile Home, boat, RV, van, etc	139,984	5%
Total	**2,870,670**	***100%***

Table 28 – Residential Properties by Unit Number

Data Source: 2018 5-Year ACS

Unit Size by Tenure

	Owners		Renters	
	Number	**%**	**Number**	**%**
No bedroom	2,943	0	28,837	4
1 bedroom	26,778	2	189,947	24
2 bedrooms	317,114	18	318,844	40
3 or more bedrooms	1,413,897	80	255,458	32
Total	**1,760,732**	**100%**	**793,086**	**100%**

Table 29 – Unit Size by Tenure

Data Source: 2018 5-Year ACS

MA-15 Cost of Housing – 91.310(a)

Introduction

Cost of Housing

	Base Year: 2012	Most Recent Year: 2018	% Change
Median Home Value	123,400	135,400	10%
Median Contract Rent	568	634	12%

Table 30 – Cost of Housing

Data Source: 2012 5-Year ACS (Base Year), 2018 5-Year ACS (Most Recent Year)

Rent Paid	Number	%
Less than $500	92,488	12%
$500-999	461,822	62%
$1,000-1,499	156,170	21%
$1,500-1,999	26,714	4%
$2,000 or more	11,053	1%
Total	748,247	100%

Table 31 - Rent Paid

Data Source: 2018 5-Year ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	60,205	No Data
50% HAMFI	253,415	185,555
80% HAMFI	550,520	488,240
100% HAMFI	No Data	698,345
Total	***864,140***	***1,372,140***

Table 32 – Housing Affordability

Data Source: 2011-2015 CHAS

Monthly Rent

Monthly Rent ($)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent					
High HOME Rent					
Low HOME Rent					

Table 33 – Monthly Rent

Data Source:	HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

No, in nonentitlement areas of the State subsidized rental housing is limited, particularly for those earning less than 30 percent AMI. As demonstrated by Table 31 above, there are very few units available for extremely low income households, and this inventory has declined by more than 50 percent since the last plan.

There are also unmet needs for housing rehabilitation and accessibility improvements, emergency shelters and transitional housing for persons experiencing homelessness, and flexibility in housing and services to address the growing needs of persons who are challenged by substance abuse.

How is affordability of housing likely to change considering changes to home values and/or rents?

Except for Hamilton County, price increases have been relatively modest, even with population growth. Overall in Indiana, the housing supply appears to be accommodating demand. The exception is rental housing for extremely low income households, which the private market cannot provide and for which public subsidies are increasingly limited. Public subsidies are failing to keep up with increases in the costs to develop rental housing, primarily due to rising labor and material costs.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

N/A at the state level

MA-20 Condition of Housing – 91.310(a)

Introduction:

This section summarizes condition indicators that are available from the U.S. Census and from HUD. The data are supplemented by stakeholder consultation on housing condition in rural communities, gathered through the stakeholder survey and interviews.

Definitions

IHCDA does not include a definition of substandard condition (suitable or unsuitable for rehabilitation) in its applications for rehabilitation. Instead, IHCDA relies on the assessment of organizations administering its programs to evaluate the condition needs of housing units. For IHCDA's OOR program, IHCDA requires that recipients follow a Rehabilitation Priority List; this List is a guide to assist in the development of the scope of work. IHCDA identifies several priorities:

2. Health and Safety: lead based paint hazards, moisture instruction, electrical hazards, urgent aging in place modifications etc.
3. Structural: foundation issues. Roof issues, interior walls etc.
4. Aging in Place: additional accessibility issues.
5. Energy: HVAC improvements, insulation and air sealing measures.

Any major household system repaired or replaced as part of the rehabilitation process must meet the stricter of the Indiana State Building Code or local building codes.

Condition of Units

Condition of Units	**Owner-Occupied**		**Renter-Occupied**	
	Number	**%**	**Number**	**%**
With one selected Condition	290,869	17%	332,800	42%
With two selected Conditions	6,006	0%	18,270	2%
With three selected Conditions	1,220	0%	620	0%
With four selected Conditions	202	0%	25	0%
No selected Conditions	1,462,435	83%	441371	56%
Total	1,760,732	100%	793,086	100%

Table 34 - Condition of Units

Data Source: 2018 5-Year ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	317,543	18%	106,978	13%
1980-1999	443,775	25%	208,841	26%
1950-1979	621,517	35%	301,222	38%
Before 1950	377,897	21%	176,045	22%
Total	**1,760,732**	**99%**	**793,086**	**99%**

Table 35 – Year Unit Built

Data Source: 2018 5-Year ACS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	999,414	57%	477,267	60%
Housing Units build before 1980 with children present	176,405	10%	122,975	16%

Table 36 – Risk of Lead-Based Paint

Data Source: 2018 5-Year ACS (Total Units); 2011-2015 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	n/a	n/a	n/a
Abandoned Vacant Units	n/a	n/a	n/a
REO Properties	n/a	n/a	n/a
Abandoned REO Properties	n/a	n/a	n/a

Table 37 - Vacant Units

Need for Owner and Rental Rehabilitation

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

As shown in the table above, 999,414 owner-occupied and 477,267 renter-occupied housing units in Indiana were built before 1980 and have children present. These households have the greatest risk—and potentially the greatest need for mitigation—of lead-based paint hazards.

MA-25 Public and Assisted Housing – (Optional)

Introduction

This section provides additional information about the Housing Choice Voucher (HCV) program administered by the Indiana Housing and Finance Authority (IHCDA). IHCDA does not own and operate any public housing units.

Totals Number of Units

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available				35,200	30,000	5,200	2	0	93
# of accessible units									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 38 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

N/A. The State of Indiana does not own or operate any PHA developments.

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

Describe the Restoration and Revitalization Needs of public housing units in the jurisdiction:

N/A. The State of Indiana does not own or operate any PHA developments.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

N/A. The State of Indiana does not own or operate any PHA developments.

MA-30 Homeless Facilities – 91.310(b)

Introduction

Facilities and services available to the persons experiencing homeless are difficult to quantify at the State level. Many stakeholders responding to the survey conducted for the Consolidated Plan listed housing and services to serve homeless as a top priority. Recently, State agencies collaborated to develop a crosswalk of services needed in supportive housing for the State's Medicaid Rehab Option (MRO) plan. The crosswalk identified the gaps between permanent supportive housing services covered by MRO and the services not covered. The State is currently evaluating how various block grant funding sources can be targeted to address the identified gaps.

MA-35 Special Needs Facilities and Services – 91.310(c)

This section summarizes the facilities and services available to meet the needs of certain special needs residents.

To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

HIV Care Coordination is a specialized form of HIV case management. Its mission is to assist those living with HIV disease with the coordination of a wide variety of health and social services. Case Management services are available statewide at sixteen regional sites.

Care Coordination provides an individualized plan of care that includes medical, psychosocial, financial, and other supportive services, as needed. The primary goals of the program are to ensure the continuity of care, to promote self- sufficiency, and to enhance the quality of life for individuals living with HIV. The Care Coordinators are trained professionals who can offer assistance in the following areas:

- Access to health insurance to obtain medications. This includes Medicaid, Medicare, Early Intervention Plan (EIP), AIDS Drug Assistance Plan (ADAP), Health Insurance Assistance Plan (HIAP), Indiana Comprehensive Health Insurance Association (ICHIA), Wishard Advantage, and the Ryan White Program (Parts A & C) offered through the Marion County Health Department, etc.

- Access to housing programs such as Section 8, Housing Opportunities for Persons with AIDS (HOPWA), Continuum of Care and ESG funds, etc.

- Access to emergency funds, such as Direct Emergency Financial Assistance (DEFA) to assist with rent, utilities, medications, etc.

- Access to mental health and substance abuse programs

- Referrals for optical and dental care
- Referrals to community and government programs, such as Social Security
- Referrals to local food pantries
- Referrals to support groups
- Referrals to legal assistance
- Assistance with medication management
- Assistance with transportation (e.g., bus passes)
- Access to HIV testing and prevention counseling services
- Access to HIV prevention and education services

Many of the HOPWA subrecipients also have permanent supportive housing programs that they can offer to a HIV/AIDS person if they become chronically homeless. If the HOPWA subrecipients do not have the program, within their area, there are other permanent supportive housing programs for this population.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

IHCDA works consistently to improve the awareness of programs and how individuals might access the Coordinated Entry system to receive appropriate supportive housing. IHCDA currently funds several Community Mental Health centers which help directly connect individuals moving out of mental institutions. IHCDA also has a partnership with CSH to conduct a Medicaid Crosswalk. This will inform how the agency might further connect their housing funds to supportive services across other agencies. Finally, the Community Services Director at IHCDA attends a monthly Recovery Housing Support Group to cross collaborate between NAMI, the Indiana Family Social Services Agency (FSSA), the Department of Workforce Development (DWD) on addressing unmet needs for those experiencing substance abuse disorder. New partnerships are currently being formed with the state wide primary care network and their connections to FQHC to educate providers on how to connect individuals with services. Additionally the CoC board is working through a recruitment process for new board members who can improve these connections. IHCDA is recruiting individuals who have experience with homeless healthcare, transitions out of institutions, and other supportive service needs.

In addition to the above, the Indiana Department of Corrections (IDOC) has a formal discharge policy. The CoC works closely with IDOC discharge reps to develop protocols so that individuals being released from correctional facilities are not discharged into homelessness. IDOC case managers develop individualized Re-Entry Accountability Plans that outline and coordinate the delivery of services necessary to ensure successful transition from incarceration to a community.

Services include: 1) enrollment in Medicaid, Food Stamps, TANF, & SSI; 2) issuance of birth certificates and BMV identification; 3) participation in workforce development programs; 4) limited rental assistance; and 5) referral to other community services. There are still people leaving corrections without stable housing. IDOC is linking their data system with the CoC Assessment–Access system and HMIS to link people to appropriate services and housing.

In some regions, faith based groups have joined up with an IDOC in reach program to mentor people while in jail and prison and continue to do so upon release, to help people use a social support network to find housing, employment and support.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

During PY2020, ESG dollars are linked to rapid rehousing, outreach, and shelter operational dollars to prevent homelessness. HOPWA will be allocated to TBRA, rental/utilities/mortgage assistance and housing information services to support persons living with HIV/AIDS who are not homeless but who need housing support.

In competitive funding programs, organizations that propose activities to help seniors age in place and/or assist persons with disabilities with housing needs will have scoring preferences for HOME awards.

MA-40 Barriers to Affordable Housing – 91.310(d)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

The State of Indiana is in the process of updating its statewide Analysis of Impediments to Fair Housing Choice (AI) to more directly address HUD's current expectations of AIs. A draft AI will be completed in Spring 2020.

Stakeholders, residents and public housing authorities were asked about barriers to housing choice in the surveys and interviews they completed for this Consolidated Plan. These surveys will also be an important part of the AI. The most mentioned barriers identified included:

- Cost of housing,
- Lack of rental units affordable to households earning less than 30 percent of AMI (rental units with rents below $500/month),
- Lack of fair housing knowledge among small landlords,
- Barriers related to criminal history and substance abuse backgrounds of renters, and
- Limited fair housing resources and trainings in rural areas.

MA-45 Non-Housing Community Development Assets -91.315(f)

Introduction

This section summarizes economic development and employment indicators and needs in Indiana.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	41,216	15749	1	2	1
Arts, Entertainment, Accommodations	278,310	113,490	9	10	0
Construction	187,588	59,535	6	5	0
Education and Health Care Services	725,412	144,507	23	13	-3
Finance, Insurance, and Real Estate	165,025	35,893	5	3	-1
Information	48,899	9,060	2	1	0
Manufacturing	600,516	314,095	19	29	5
Other Services	145,709	33,259	5	3	0
Professional, Scientific, Management Services	263,974	40,420	8	4	-2
Public Administration	107,120	0	0	0	0
Retail Trade	351,072	139,950	11	13	1
Transportation and Warehousing	168,767	55,232	5	5	0
Wholesale Trade	80,806	51,194	3	5	0
Total	3,164,414	1,015,875	--	--	--

Table 39- Business Activity

Data Source: 2018 5-Year ACS (Workers), 2017 NAICS Industry Sector (LEHD)

Labor Force

Total Population in the Civilian Labor Force	3,345,383
Civilian Employed Population 16 years and over	3,164,414
Unemployment Rate	5.4
Unemployment Rate for Ages 16-24	11.6%
Unemployment Rate for Ages 25-65	4.4%

Table 40 - Labor Force

Data Source: 2018 5-Year ACS

Occupations by Sector	Number of People
Management, business and financial	1,066,465
Farming, fisheries and forestry occupations	13,666

Occupations by Sector	Number of People
Service	523,048
Sales and office	671,079
Construction, extraction, maintenance and repair	626,386
Production, transportation and material moving	156,763

Table 41 – Occupations by Sector

Data Source: 2018 5-Year ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	2,059,693	69%
30-59 Minutes	757,558	25%
60 or More Minutes	173,218	6%
Total	2,990,469	***100%***

Table 42 - Travel Time

Data Source: 2018 5-Year ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not in Labor Force
Less than high school graduate	180864	20480	149201
High school graduate (includes equivalency)	735956	43336	284640
Some college or Associate's degree	814193	34837	200375
Bachelor's degree or higher	805541	17043	114627

Table 43 - Educational Attainment by Employment Status

Data Source: 2018 5-Year ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	14,416	26953	31,268	52,759	53,660
9th to 12th grade, no diploma	89,320	63202	56,342	120,067	98,373
High school graduate, GED, or alternative	210,738	225326	222,599	616,321	411,685

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Some college, no degree	259,872	196462	173,856	346,056	182,468
Associate's degree	23,473	82210	91,292	160,842	48,166
Bachelor's degree	61,249	192111	164,893	272,436	97,668
Graduate or professional degree	4,250	70,668	81,464	15,6625	104,043

Table 44 - Educational Attainment by Age

Data Source: 2018 5-Year ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	
High school graduate (includes equivalency)	
Some college or Associate's degree	
Bachelor's degree	
Graduate or professional degree	

Table 45 – Median Earnings in the Past 12 Months

Data Source:

Based on the Business Activity table above, what are the major employment sectors within the state?

The single largest employment industry in Indiana is manufacturing, responsible for 29 percent of the state's jobs, according to the Business Activity table above. This is followed by Education and Health Care at 13 percent and Retail Trade at 13 percent of all jobs. The job base is nearly identical to that in 2015.

How do the skills and education of the current workforce correspond to employment opportunities in the state?

The workforce needs of businesses currently operating in nonentitlement areas in Indiana vary by region and industry. Generally speaking, businesses must replace skilled incumbent workers who are rapidly approaching retirement. Many are already beyond retirement age and continue to work for various reasons. Businesses have mostly been unable to develop a pipeline of workers with the training and education to move into these skilled positions as they become available.

Replacements for these workers may come from workers who are underemployed as a result of realignment caused by globalization and technology. Others may be unemployed for similar reasons. Still others may come from the ranks of high school students who are increasingly considering seeking industry recognized certifications, applied Associate of Science degrees or other points of entry into the workforce. This is but one iteration of the current skills gap currently being expressed by many industry clusters.

Workers for new skilled jobs in technology, robotics, electrical maintenance, electronics, mechanical maintenance, computer technicians, laboratory technicians, welding and other emerging trades are also required. These workers may also come from the ranks of underemployed, unemployed, and students provided that industry recognized training can be secured.

Describe current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan. Describe any other state efforts to support economic growth

The Governor's Next Level initiative, https://www.nextleveljobs.org/, aims to increase education attainment of the state's workers by expanding training and education to support high-paying jobs in high-growth and high-paying industries. The initiative provides access to free, statewide training to high-paying jobs and reimburses employers to provide training in high-growth fields.

MA-50 Needs and Market Analysis Discussion

This section will be updated as the 2020 update to the statewide Analysis of Impediments to Fair Housing Choice (AI) is completed.

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")
What are the characteristics of the market in these areas/neighborhoods?

Are there any community assets in these areas/neighborhoods?
Are there other strategic opportunities in any of these areas?

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The SP section of the Consolidated Plan details the State of Indiana's five-year strategic goals to address housing and community development needs with CDBG, HOME, ESG, HOPWA and NHTF.

The five-year plan responds to the needs expressed by stakeholders and the public in development of the plan by:

- Addressing aging water, wastewater and stormwater systems;
- Helping to revitalize rural communities and encourage economic growth;
- Addressing the quality of housing;
- Responding to unique community needs as they arise;
- Building capacity and empower leadership in rural Indiana;
- Addressing the rental housing needs of extremely low income residents;
- Addressing increased units for homeownership for low income residents;
- Allowing seniors to age-in-place and facilitating new housing opportunities for persons with disabilities,
- Addressing the needs of special needs residents, including those with HIV/AIDS and persons who are homelessness, and
- Working to prevent homelessness by providing rental assistance and moving residents who are newly homeless into housing quickly.

SP-10 Geographic Priorities – 91.315(a)(1)

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

The State of Indiana does not prioritize the allocation of CDBG, HOME or ESG geographically. For CDBG awards, OCRA and IHCDA allocate funds to the areas of greatest need, based on stakeholder and resident consultation and the needs assessment and market analysis. This information is used to guide the funding priorities for each program year.

OCRA proposes a new program in 2020—a Needs Responsive, or Flexible Fund, to address community needs that are not addressed through other programs; these may include emergency needs.

For IHCDA's HOME program, applications for rental and homeownership projects located within non-participating jurisdictions and those Participating Jurisdictions which receive less than $500,000 of HOME funding directly from HUD will be considered for funding.

Several IHCDA programs are available for projects statewide. This includes IHCDA's HOME Tenant Based Rental Assistance Program, and projects selected through its Supportive Housing Institute, which utilize HOME and NHTF.

All other NHTF projects for rental development will be allocated statewide.
Exact criteria vary by program, yet all programs prioritize assisting low income households. Most of IHCDA's housing programs prioritize 50 percent AMI households; ESG and HOPWA generally reach to lower income levels due to the nature of the populations they serve.

ESG allocates emergency shelter and rapid re-housing ,homeless prevention, and outreach activities state wide. These and the HOPWA funds follow the CoC jurisdiction of every county outside of Marion.

The HOPWA grant does rely on a geographic allocation, determined through the Continuum of Care regions. Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region, IHCDA will work with the regional sponsor to tailor services to meet the needs of the population.

HTF for rental development is be allocated statewide, to projects that meet the underwriting standards as defined under 24 CFR 93.

SP-25 Priority Needs – 91.315(a)(2)

The priority needs that have been established for the five-year planning period include the following. These were based on stakeholder input and the housing and community development analysis conducted to support the 2020-2024 Consolidated Plan.

Community Development Priority Needs

Infrastructure for Internet access—High need

Public transit for all—High need

Water, wastewater and storm water system improvements—High need

Sidewalk improvements—High need

Community & youth centers—High need

Public facilities improvements—Moderate need

Workforce development–High need

Housing Priority Needs

Housing for low and very low income persons—High need

Homeownership opportunities for low income and moderate income residents—High need

Housing repair for low income homeowners—High need

Support of comprehensive community development efforts—Moderate need

Developments utilizing existing infrastructure, buildings, or parcels—Moderate need

Housing that allows homeowners to age in place and is accessible for persons with disabilities—High need

Homeless and Special Needs

Assistance to homeless shelters for operations and essentials—High need

Tenant based rental and rapid re-housing assistance—High need

SP-30 Influence of Market Conditions – 91.315(b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	Increased demand for housing affordable to < 30% AMI households
TBRA for Non-Homeless Special Needs	Increased demand for housing affordable to < 30% AMI households
New Unit Production	Emphasis on small affordable developments that are accessible and visitable, which are lacking in many nonentitlement areas
Rehabilitation	Aging of population and increase in number of residents with disabilities
Acquisition, including preservation	Presence of vacant and underutilized properties and weak interest by the private sector to redevelop

Table 46 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)
Introduction

The table below lists the resources anticipated to be available to assist the State fulfill its five-year Consolidated Plan housing and community development goals. It includes funds from the Federal disaster recovery program.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	**Federal**	Admin and Planning Economic Development Housing Public Improvements Public Services	**$30,500,000**	**$0**	**$0**	**$30,500,000**	**$122,000,000**	

HOME	**Federal**	Admin and Capacity Building Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA Stellar Communities	**$13,300,000**	**$2,260,000 (est.)**	**$23,275,000**	**$38,835,000**	**$53,200,000**	

ESG	**Federal**	Financial Assistance (shelter operations) Rapid re-housing (rental assistance) Prevention and outreach	**$3,800,000**	**$0**	**$0**	**$3,800,000**	**$15,200,000**	
HOPWA	**Federal**	Financial assistance (facility operations) Housing information Permanent housing placement STRUM Support ive services TBRA	**$1,400,000**			**$1,400,000**	**$5,600,000**	
Housing Trust Fund	**Federal**	Multifamily rental new construction	**$3,600,000**		**$6,340,000**	**$9,940,000 0**	**$14,400,000**	HTF funds will be dedicated to new construction of affordable rental housing. The HTF

								will leverage 9% LIHTC funding, thus targeting households earning less than 60% MFI.

Table 49 - Anticipated Resources

Explain how Federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Anticipated matches for PY2020 include:

$7.5 million from local government contributions on all CDBG projects,

In in-kind services match for ESG shelter operations projects—TBD when allocations are known,

$1 million in in-kind services match for ESG RRH projects—TBD when allocations are known,

$1.5 million in cash matches from ESG subrecipients—TBD when allocations are known,

$600,000 in public funds for HOPWA projects (e.g., Ryan White, CDBG, supportive housing),

$70,000 in private funds to support HOPWA projects (financial assistance, food pantries, Indiana AIDS fund),

$22,000 cash match from subrecipients in assisting clients (in-kind).

The HOME match will approximate $2 million, equal to 25 percent on HOME-funded projects.

OCRA match. Matching funds include local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds for CDBG projects is 10 or 20 percent of the total estimated project costs. This percentage is computed by adding the proposed CDBG grant amount and the local matching funds amount, and dividing the local matching funds amount by the total sum of the two amounts. The current definition of match includes a maximum of 5 percent pre- approved and validated in-kind contributions. The balance of the 10 percent must be in the form of either cash or debt. Any in-kind over and above the specified 5 percent may be designated as local effort. Grant funds provided to applicants by the State of Indiana are not eligible for use as matching funds.

IHCDA match. Recent influxes of program funding from the Federal government, along with several new initiatives that expand IHCDA's vision and overall mission into more comprehensive developments, sometimes pose an issue with obtaining the required level of match/leveraging funds. IHCDA continues to use the match pool, which is a collection of resources taken from closed HOME-funded projects that documented match in excess of the required 25 percent. These eligible sources of match are kept on record and may be used as match for future IHCDA-funded projects. The pool allows applicants that, after exploring all possible avenues of meeting the requirement, are left with a shortfall to still proceed with an award application.

ESG match. ESG subrecipients are required to match 100 percent of the ESG award, and can include cash, grants and in-kind donations.

CDBG housing leverage. The State of Indiana requires 10 percent leverage for most CDBG funds. IHCDA recipients have used a variety of funding sources to meet this requirement, including Federal Home Loan Bank grants, Rural Development grants, contractor contributions, cash contributions and cash from local government general funds.

HOME match. The HOME program requires a 25 percent match, which is a Federal requirement. Applicants must demonstrate eligible matching funds equal to 25 percent of the amount of HOME funds requested, environmental review and CHDO operating costs. If the applicant is proposing to utilize banked match for the activity:

*And it is the applicant's own banked match, the match liability on the previous award for which the match was generated must already be met and documented with IHCDA for the match to be eligible as of the application due date. Only HOME-eligible match generated on IHCDA awards made in 1999 or later are eligible to be banked.

*Or, if it is another recipient's match, the applicant must provide an executed agreement with the application verifying that the recipient is willing to donate the match.

Only banked match from awards made in 1999 or later that have fully met their match liability are eligible to donate to another applicant. The award must be closed before the agreement to donate match is executed. Match cannot be sold or purchased and is provided purely at the discretion of the recipient that granted it.

Banked leverage generated on a CDBG award cannot be used as match on a future HOME award. Only banked match generated on a HOME award can be used on a future HOME award.

The HOME regulations outline the very specific types of HOME-eligible matching funds, and IHCDA must document expenditures of matching funds by individual sites. Eligible forms include:

- Cash contributions permanently dedicated to the HOME program from non-federal funds and not donated by the applicant or the designated property owner;
- Program income from a federal grant earned after the end of the award period if no federal requirements govern its disposition (i.e., program income generated from the Rental Rehab Program);
- Grant equivalent of the present discounted value of the yield foregone in a below-interest rate loan;
- The present discounted, cash value, based on customary and reasonable means for establishing value, of State or local taxes, fees, or other charges that are normally and customarily imposed or charged;

- The appraised value of donated land or buildings, except those already owned by the applicant or a principal in the development, less any debt that remains as a lien against the property. Property may also be eligible as a partial donation if it is offered to the applicant at below market value and if the offer or submits a written declaration that the difference between market value and the sale price is intended as a contribution to affordable housing;
- The cost, not paid with federal resources, of on-site or off-site infrastructure improvements that are directly required for the HOME-assisted development. The infrastructure must have been completed no earlier than 12 months before HOME funds are committed to the project;
- Donated site-preparation or construction materials not acquired with federal funds, or the reasonable rental value of the donated use of site preparation or construction equipment;
- Volunteer skilled or unskilled labor and donated professional services. Unskilled labor is currently calculated at the rate of $10 per hour;
- The direct cost of supportive services provided to families residing in HOME-assisted units during the affordability period. The supportive services must be necessary to facilitate independent living or be required as part of a self-sufficiency program;
- Contributions to non-HOME-assisted but HOME-eligible developments, if certain federal requirements are met (income eligibility of occupants, property standards, rent limits, project occupancy requirements, affordability period, and tenant protections); and
- Neighborhood Assistance Program (NAP) credits

If appropriate, describe publicly owned land or property located within the state that may be used to address the needs identified in the plan

N/A; the State does not have publicly owned land or properties that will be used to address housing and community development needs during the five-year planning period.

Prior year resources. Prior Year funds will be used for eligible HOME projects, including rental and homebuyer.

SP-40 Institutional Delivery Structure – 91.315(k)

The institutional structure through which the State will carry out its Consolidated Plan will be known as applications are reviewed and awards are made.

CDBG, by the very nature of the program, will be allocated to units of local government. The exception are CDBG-OOR funds that are used for owner-occupied rehabilitation, which benefit households directly.

HOME will be allocated to affordable housing development partners and organizations.

In determining the ESG Allocation, a request for proposals is distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, to the current sub-recipients of the ESG program and current permanent supportive housing rental assistance programs who have had experience with rental assistance.

IHCDA allocates HOPWA to all ISDH-established care coordination regions (except Region 7) and the regional sponsor tailors the allocation to local needs utilizing local service providers as needed.

Assess of Strengths and Gaps in the Institutional Delivery System

The State has an efficient structure through which programs are delivered. Where gaps exist, these are associated with lack of funding and lack of capacity of nonprofits in rural areas to address the wide variety and growing needs of an aging population living in aging housing stock.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

SP-45 Goals Summary – 91.315(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Goal Outcome Indicator (estimated five year)
1	Improve Community Water, Wastewater Systems, and Stormwater Systems	2020	2024	Non-Housing Community Development		Creating livable and revitalized communities	35 projects
2	Support Community Revitalization	2020	2024	Non-Housing Community Development		Local economic development	Blight Clearance Program, 5 Stellar Regions Program, 15 Main Street Revitalization, 10
3	Improve and Construct Public Facilities	2020	2024	Non-Housing Community Development		Local economic development	15 projects
4	Needs Responsive Fund	2020	2024	Non-Housing Community Development		Public health and safety	

5	Provide Planning Grants to Local Governments/CHDOs	2020	2024	Non-Housing Community Development			200 grants

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Goal Outcome Indicator (estimated five year)
6	Create and Preserve Affordable Rental Housing	2020	2024	Affordable Housing		Provide affordable housing opportunities	Rental units newly constructed: 300 Rental Units rehabilitated: 300 Household Housing Units
7	Create and Preserve Affordable Owner Occupied Housing	2020	2024	Affordable Housing		Provide affordable housing opportunities	Homeowner Housing Added: 75 Household Housing Units
8	Preserve Affordable Owner-Occupied Housing, Improve Aging- in-Place and Visitable and Accessible Housing	2020	2024	Affordable Housing		Provide affordable housing opportunities	Homeowner Housing Rehabilitated: 500
9	Build Nonprofit Housing Developer Capacity	2020	2024	Affordable Housing		Provide affordable housing opportunities	Other: 30 Other (CHDO nonprofit capacity)
10	Create Permanent Supportive Housing Opportunities	2020	2024	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	Housing for Homeless added: TBD based on known allocation

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Goal Outcome Indicator (estimated five year)
11	Provide Operating Support for Shelters	2020	2024	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	TBD based on known allocation
12	Provide Rapid Re- Housing	2020	2024	Homeless Non-Homeless Special Needs		Reduce homelessness and improve stability	Tenant-based rental assistance / Rapid Rehousing: TBD based on known allocation
13	Provide Outreach to Persons who are Homeless	2020	2024	Non-Homeless Special Needs		Reduce homelessness and improve stability	TBD based on known allocation

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Goal Outcome Indicator (estimated five year)
14	Assist HIV/AIDS Residents Remain in Housing--STRUM	2020	2024	Non-Homeless Special Needs		Reduce homelessness and improve stability	STRUM: Households Assisted TBD based on known allocation
15	Assist HIV/AIDS Residents Remain in Housing--TBRA	2020	2024	Non-Homeless Special Needs		Reduce homelessness and improve stability	Tenant-based rental assistance / Rapid Rehousing: TBD based on known allocation
16	Provide Housing Information and Placement Services	2020	2024	Non-Homeless Special Needs		Reduce homelessness and improve stability	Other: TBD based on known allocation
17	Support Facilities Serving HIV/AIDS Residents	2020	2024	Non-Homeless Special Needs		Reduce homelessness and improve stability	Other: TBD based on known allocation

Table 47 – Goals Summary

SP-50 Public Housing Accessibility and Involvement – 91.315(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

N/A; the State of Indiana does not own or operate any public housing units.

Activities to Increase Resident Involvements

N/A; the State of Indiana does not own or operate any public housing units.

Is the public housing agency designated as troubled under 24 CFR part 902?

N/A; the State of Indiana does not own or operate any public housing units.

Plan to remove the 'troubled' designation

N/A; the State of Indiana does not own or operate any public housing units.

SP-55 Barriers to affordable housing – 91.315(h)

Barriers to Affordable Housing

The State of Indiana is in the process of updating its statewide Analysis of Impediments to Fair Housing Choice (AI) to more directly address HUD's current expectations of AIs. A draft AI will be completed in Spring 2020.

Stakeholders, residents and public housing authorities were asked about barriers to housing choice in the surveys and interviews they completed for this Consolidated Plan. These surveys will also be an important part of the AI. The most mentioned barriers identified included:

- Cost of housing,
- Lack of rental units affordable to households earning less than 30 percent of AMI (rental units with rents below $500/month),
- Lack of fair housing knowledge among small landlords,
- Barriers related to criminal history and substance abuse backgrounds of renters, and
- Limited fair housing resources and trainings in rural areas.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Since the 2016 AI was developed, OCRA and IHCDA have worked closely with the Fair Housing Center of Central Indiana (FHCCI) and the Indiana Civil Rights Division (ICRC) to address the identified barriers. These partnerships will continue during the 2020 Program Year and will focus on:

1) Fair housing testing;
2) Fair housing training and education and outreach; and
3) Inspecting and testing IHCDA funded properties for fair housing compliance.

SP-60 Homelessness Strategy – 91.315(d)

The BoS CoC in partnership with IHCDA has created a Coordinated Entry system to identify and asses the needs of persons at-risk of homelessness. Coordinated Entry processes help communities prioritize assistance based on vulnerability and severity of service needs, to ensure that people who need assistance the most can receive it in a timely manner.

Coordinated entry changes a CoC from a project focused system to a person focused system.

Historically, CoCs allowed each project to develop and implement its admission criteria and processes. Once people were on a project's waiting list, they were usually served on a first-come, first-served basis without regard to their level of vulnerability. As a result, some program participants received assistance that was either more or less extensive than they needed, and many people received no assistance at all because they were screened out by exclusionary admission criteria or preferences set by the projects.

Now, Coordinated Entry aims to 'orient the community to one or two central prioritizing principles by which the community can make decisions about how to utilize its resources most effectively' (Coordinated Entry Policy Brief, p. 4). These prioritization approaches ensure that across all subpopulations and people with various types of disabilities, those most vulnerable, at highest risk of continued homelessness, or with the most severe service needs will be prioritized for assistance.

Any organization that receives funding from IHCDA's Community Services division (including ESG and HOPWA) are required to enter client level data into HMIS and use the CE process to match individuals in that system to the right housing needs. IHCDA staff also train sub-recipients to use diversion tactics and coordinated case conferencing to provide the exact need to the client. Some clients simply need assistance with one month's rent or finding counseling on how to mend broken relationships. Others experience more chronic homelessness.

Lastly the CoC board is updating their strategic plan in summer 2020. The current plan is out of date due to staff and board turn over. This plan will inform the IHCDA strategy on preventing and ending homelessness.

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The State relies on its partners to conduct outreach to persons who are homeless, assess their needs and communicate these needs to the State. To that end, the State will:

- Require all HUD McKinney Vento Funded programs to utilize HMIS for all shelter or transitional housing or permanent supportive housing programs serving homeless individuals and families.
- Require all HUD McKinney Vento Funded programs to participate in the annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to IHCDA.
- Require all HUD McKinney Vento Funded programs subrecipients actively participate in their Regional Planning Council on the Homeless meetings regularly (minimum 75% attendance).
- Require all HUD McKinney Vento Funded programs to participate in the Coordinated Entry in their Region.

Addressing the emergency and transitional housing needs of homeless persons

In addition to the allocation of ESG to meet the needs of persons who are homeless (see AP-20), emergency shelter and transitional housing needs are addressed through the ESG's participation in their local Regional Planning Council on Homeless in their Region but also through each Committee under the CoC Board. The Committees have been updated by the new CoC Board. They are: Executive Committee, Resources and Funding Committee, Strategic Planning Committee, Performance and Outcomes Committee and Ad Hoc Committees as needed. The State ESG program is part of the work of each committee in some way or another.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Rapid re-housing activities include housing relocation and stabilization services and financial assistance with rent, utilities, arrears, and deposits. The function of these funds is to provide short-term assistance to individuals and families. The State offers shelters a version of RRH that did not include rental assistance, and instead covers one-time assistance to support a direct connection from shelter to permanent housing including housing relocation and stabilization services, utilities, arrears, and deposits.

Sub-recipients that receive RRH funds are required to create a Memorandum of Understanding (MOU) with shelters in their region to further strengthen the connection from emergency housing to permanent options including rentals with short/medium term subsidy.

IHCDA continued to improve knowledge of sub-recipients in implementing Rapid Re-housing and Prevention services in their communities through an all-day training symposium on RRH and HMIS training about the new data elements to collect and analyze.

A persistent barrier to the transition to permanent housing is lack of employment. This remains especially difficult in rural areas. Emergency shelters also reported that clients face challenges in moving from the shelter into permanent or transitional housing within the 40-day timeframe, which was the objective. Lack of affordable housing availability continues to be a key factor in extended lengths of stay in shelter while the housing search is in process.

There are two ways IHCDA works to eliminate these barriers. The first is the aforementioned Coordinated Entry process which allows for individuals vulnerability to be assessed. Those who are chronically homeless and disabled score higher on this assessment and are placed on a list for permanent housing first. Otherwise with less vulnerability are connected to rapid rehousing or other options in their region. The second way IHCDA works to eliminate barriers is to maintain and create partnerships. Within the agency, divisions collaborate on homelessness initiatives that are not overseen by the CoC such as the PSH Institute which helps build additional permanent supportive housing units across the state. Externally staff works with partners at the Department of Workforce Development (DWD), the Indiana Commission for Higher Education (ICHE), local nonprofits, local cities, and other entities to help create programs that assist in breaking down barriers. An example is the Next Level Jobs programs through DWD. Sub-recipients of IHCDA Funds have been trained on this program to connect clients to training to improve their employability skills and ability to find higher paying jobs.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

The State and CoC are currently working together to better coordinate how funding is utilized for prevention needs. IHCDA is creating a homeless committee to communicate all options for an individual who is on the verge of or is currently experiencing homeless. This will inform additional strategy at the agency and CoC. The agency is also improving external partnerships that may lead to additional services for those affected by this crisis. These partnerships include the Department of Workforce Development, the Indiana Commission for Higher Education, The Department of Education, and the Department of Veterans Affairs.

Finally, the State is working towards a data integration project that could provide data that helps shape how the state should best keep families from becoming homeless especially those with health related/disabilities. They are in the final stages of their Medicaid Crosswalk with CSH which would inform gaps and barriers to partner housing stability and Medicaid services.

SP-65 Lead based paint Hazards – 91.315(i)

Actions to address LBP hazards and increase access to housing without LBP hazards, How are the actions listed above integrated into housing policies and procedures?

Lead-based paint hazards will primary be addressed through CDBG and HOME funded rehabilitation activities. IHCDA has developed new lead forms, and done multiple trainings on how to address lead based paint through both these programs in partnership with HUD. In PY2020, IHCDA will be sponsoring a workshop on the Lead Safe Housing Rule and the HUD Lead regulations to administrators and contractors. IHCDA will also be addressing the dearth of eligible risk assessors, inspectors and licensed contractors by working with the Indiana Builders Association to advertise trainings. IHCDA has also developed a program to allow for reimbursement for contractors to receive their appropriate lead licenses.

In addition, IHCDA has been awarded the Lead Hazard Reduction Demonstration Grant through HUD. In partnership with the Indiana State Department of Health, IHCDA is using these funds will for the identification of lead hazards in units occupied by children who have been lead poisoned or are at-risk of becoming lead poisoned; the remediation of the lead hazards through appropriate control or abatement procedures; and ancillary activities such as training, outreach, and casework. Healthy Homes funding will promote and develop coordination of the lead hazard control activities with other healthy homes steps. These and other activities include providing smoke detectors, providing carbon monoxide detectors, installing anti-scald devices on bathtubs and installing and/or checking handrails. IHCDA is in their third year of executing this vital grant.

IHCDA will also be keeping a database of lead-free housing for rental units which undergo lead hazard control through the LHRD grant program.

IHCDA also developed a Lead Advocacy Team, consisting of IHCDA staff, State Department of Health, and the Indiana Community Action Association (INCAA) to discuss lead-based paint hazards across the state. In 2018, IHCDA, along with INCAA launched the Lead Community Action Plan, which is using CDBG-DR funding to provide lead hazard control to 17 rural counties across the State. This program will be closing in 2020.

Lastly, IHCDA in partnership with the Indiana State Department of Healthy has created the Lead Protection Program, which offers multiple resources to qualified residents. IHCDA keeps a website of all state-lead programming, a Lead Paint Safety guide, applications in both English and Spanish for interested families on this website: https://www.in.gov/myihcda/2675.htm

How are the actions listed above integrated into housing policies and procedures?

Addressing the problem through existing and new housing rehabilitation programs is fundamental to reach the State and federal goal of eliminating childhood lead poisoning. Each recipient of a HOME award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed. Lead-based paint controls and abatement costs are eligible activities in IHCDA's HOME-funded rehabilitation programs.

IHCDA has updated numerous forms and provide training on the importance of addressing lead based hazards and the impact lead based paint has on the health of children. As a requirement for its CDBG OOR program, IHCDA conducts a training on lead paint, and requires all grantees who have an open award with IHCDA to attend to be eligible for future funding.

IHCDA will continue to provide technical assistance on lead-based paint to their recipients,

IHCDA, as the Balance of State Public Housing Authority, also works closely with the IHCDA Lead Grant Manager, and the local and state health departments to identify any Housing Choice Voucher units which have a child with an elevated blood lead level.

As mentioned, IHCDA and the Indiana's State Department of Health have created a repository for households across the state to learn more about the risk of lead-based paint and link those households to numerous state programs.

Lastly, IHCDA has developed a reimbursement program for contractors and firms for eligible training costs related to lead abatement courses; this reimbursement includes the costs of registration and the cost of the testing to be licensed to perform work on lead paint throughout the State. With this program, IHCDA hopes to increase the number of licensed lead abatement professionals throughout the State that can perform lead abatement activities and participation in its LHRD, CDBG, HOME and other programs.

SP-70 Anti-Poverty Strategy – 91.315(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

The State of Indiana does not have a formally adopted statewide anti-poverty strategy. In a holistic sense, the entirety of Indiana's Consolidated Plan Strategy and Action Plan is anti-poverty related because a stable living environment is also a service delivery platform. However, many of the strategies developed for the five-year Consolidated Plan directly assist individuals who are living in poverty.

Indiana has a history of aggressively pursuing job creation through economic development efforts at the State and local levels. This emphasis on creating employment opportunities is central to a strategy to reduce poverty by providing households below the poverty level with a means of gaining sustainable employment. OCRA supports employment growth through economic development and revitalization.

Other efforts are also needed to combat poverty. Many of the strategies outlined in the Consolidated Plan are directed at providing services and shelter to those in need. Once a person has some stability in a housing situation, it becomes easier to address related issues of poverty and provide resources such as childcare, transportation and job training to enable individuals to enter the workforce. Indiana's community action agencies are frontline anti-poverty service providers. They work in close cooperation with State agencies to administer a variety of State and federal programs.

Education and skill development are an important aspect of reducing poverty. Investment in workforce development programs and facilities is an essential step to break the cycle of poverty. Finally, there continue to be social and cultural barriers that keep people in poverty. Efforts to eliminate discrimination in all settings are important. In some cases, subsidized housing programs are vital to ensure that citizens have a safe and secure place to live.

Many of the strategies outlined in the Consolidated Plan are directed at providing services and shelter to those in need. Once a person has some stability in a housing situation, it becomes easier to address related issues of poverty and provide resources such as childcare, transportation and job training to enable individuals to enter the workforce. Subsidized housing programs are vital to ensure that citizens have a safe and secure place to live.

The State also utilizes the Section 3 requirement (a provision of the Housing and Urban Development Act of 1968). Section 3 applies to employment opportunities generated (jobs created) as a result of projects receiving CDBG or HOME funding through ORCA or IHCDA, whether those opportunities are generated by the award recipient, a subrecipient, and/or a contractor. The requirements of Section 3 apply to all projects or activities associated with

CDBG or HOME funding, regardless of whether the Section 3 project is fully or partially funded with CDBG/HOME. A detailed description of Section 3 requirements is included in OCRA/IHCDA's award applications and manuals. A notice of Section 3 requirements is included in bid solicitations and is covered during the award trainings.

Through IHCDA's multitude of programs, the agency provides assistance to impact persons who may be experiencing homelessness, to those who need assistance to purchase their first home. IHCDA utilizes its HOME program to provide TBRA to those exiting the prison system, to providing construction subsidies for supportive housing using the Housing First model, to providing funding to support housing for persons who are disabled, or families in need of stable housing.

SP-80 Monitoring – 91.330

Describe the standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

OCRA conducts a monitoring of every grant project receiving HUD funds. Two basic types of monitoring are used: off-site, or "desk" monitoring and on-site monitoring. Desk monitoring is conducted by staff for non-construction projects. Desk monitoring confirms compliance with national objective, eligible activities, procurement and financial management. On-site monitoring is a structured review conducted by OCRA staff at the locations where project activities are being carried out or project records are being maintained. One on-site monitoring visit is normally conducted during a project, unless determined otherwise by OCRA staff. Grants utilizing a sub-recipient to carry out eligible activities are monitored on-site annually during the 5-year reporting period to confirm continued compliance with national objective and eligible activity requirements. In addition, if there are findings at the monitoring, the grantee is sent a letter within 3 to 5 days of monitoring visit and is given 30 days to resolve it.

IHCDA Monitoring (CDBG, HOME and NHTF): All awards will receive at least one (1) final closeout monitoring from the Indiana Housing and Community Development Authority. The recipient must ensure that all records relating to the award are available at the time of IHCDA's monitoring. IHCDA will hold the final $5000 of each award until the final monitoring has been completed and all findings and concerns associated with it have been resolved. At the time of final monitoring, the recipient must provide the IHCDA compliance auditor a disc containing electronic copies of all beneficiary files. These files must contain the income certification and verification documents for all beneficiaries (i.e. tenants or homeowners assisted).

For those projects determined to need special attention, IHCDA may conduct one (1) or more monitoring visits while award activities are in full progress. There are two possible types of special monitoring:

- Initial monitoring- monitoring early in the award term to ensure contract requirements and procurement procedures have been properly followed.
- Interim monitoring- monitoring halfway through the award term or award amount.

Note: all projects invoking Davis Bacon will receive an interim monitoring to review labor standards requirements (see more information below).

Some of the more common factors that would signal special attention include: activity appears behind schedule, previous audit or monitoring findings of recipient or administrative firm, high dollar amount of award, inexperience of recipient or administrative firm, and/or complexity of program. These visits will combine onsite technical assistance with compliance review.

If the recipient's systems are found to be nonexistent or are not functioning properly, actions taken by IHCDA could include suspension of further funding until appropriate corrective actions are taken, or termination of funding altogether. Additionally, all awards subject to Davis Bacon requirements will receive an interim monitoring at sooner of halfway through the award term or at fifty percent (50%) of funds drawn. The purpose of the interim monitoring is to ensure compliance with labor standards provisions, focusing on review of certified payroll reports. This interim monitoring is required and any issues found during the review must be addressed before additional claims to IHCDA will be released for payment.

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

This section specifies the expected amount of resources for the PY2020 Action Plan, based upon sources of funds. The Expected Amount Available for the Remainder of the ConPlan is based on PY2019 expected funding for one year.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	Federal	Admin and Planning Economic Development Housing Public Improvements Public Services	$30,500,000	$0	$0	$30,500,000	$122,000,000	

HOME	**Federal**	Admin and Capacity Building Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA Stellar Communities	**$13,300,000**	**$2,260,000 (est.)**	**$23,275,000**	**$38,835,000**	**$53,200,000**	
HOPWA	**Federal**	Financial assistance (facility operations) Housing information Permanent housing placement STRUM	**$1,400,000**			**$1,400,000**	**$5,600,000**	

		Supportive services TBRA						
Housing Trust Fund	**Federal**	Multifamily rental new construction	**$3,600,000**		**$6,340,000**	**$9,940,0000**	**$14,400,000**	HTF funds will be dedicated to construction of affordable rental housing. The HTF will leverage 9% LIHTC funding, thus targeting households earning < 60% MFI

Table 48 - Expected Resources – Priority Table

Explain how Federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

OCRA match. Matching funds include local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds for CDBG projects is 10 or 20 percent of the total estimated project costs. This percentage is computed by adding the proposed CDBG grant amount and the local matching funds amount and dividing the local matching funds amount by the total sum of the two amounts. The current definition of match includes a maximum of 5 percent pre- approved and validated in-kind contributions. The balance of the 10 percent must be in the form of either cash or debt. Any in-kind over and above the specified 5 percent may be designated as local effort. Grant funds provided to applicants by the State of Indiana are not eligible for use as matching funds.

IHCDA match.

Recent influxes of program funding from the Federal government, along with several new initiatives that expand IHCDA's vision and overall mission into more comprehensive developments, sometimes pose an issue with obtaining the required level of match/leveraging funds. IHCDA continues to use the match pool, which is a collection of resources taken from closed HOME-funded projects that documented match in excess of the required 25 percent. These eligible sources of match are kept on record and may be used as match for future IHCDA-funded projects. The pool allows applicants that, after exploring all possible avenues of meeting the requirement, are left with a shortfall to still proceed with an award application.

ESG match. ESG subrecipients are required to match 100 percent of the ESG award, and can include cash, grants and in-kind donations.

HOME match.

The HOME program requires a 25 percent match, which is a Federal requirement. Applicants must demonstrate eligible matching funds equal to 25 percent of the amount of HOME funds requested, environmental review and CHDO operating costs. If the applicant is proposing to utilize banked match for the activity:

*And it is the applicant's own banked match, the match liability on the previous award for which the match was generated must already be met and documented with IHCDA for the match to be eligible as of the application due date. Only HOME-eligible match generated on IHCDA awards made in 1999 or later are eligible to be banked.

*Or, if it is another recipient's match, the applicant must provide an executed agreement with the application verifying that the recipient is willing to donate the match.

Only banked match from awards made in 1999 or later that have fully met their match liability are eligible to donate to another applicant. The award must be closed before the agreement to donate match is executed. Match cannot be sold or purchased and is provided purely at the discretion of the recipient that granted it.

Banked leverage generated on a CDBG award cannot be used as match on a future HOME award. Only banked match generated on a HOME award can be used on a future HOME award.

The HOME regulations outline the very specific types of HOME-eligible matching funds, and IHCDA must document expenditures of matching funds by individual sites. Eligible forms include:

- Cash contributions permanently dedicated to the HOME program from non-federal funds and not donated by the applicant or the designated property owner;
- Program income from a federal grant earned after the end of the award period if no federal requirements govern its disposition (i.e., program income generated from the Rental Rehab Program);

- Grant equivalent of the present discounted value of the yield foregone in a below-interest rate loan;
- The present discounted, cash value, based on customary and reasonable means for establishing value, of State or local taxes, fees, or other charges that are normally and customarily imposed or charged;
- The appraised value of donated land or buildings, except those already owned by the applicant or a principal in the development, less any debt that remains as a lien against the property. Property may also be eligible as a partial donation if it is offered to the applicant at below market value and if the offer or submits a written declaration that the difference between market value and the sale price is intended as a contribution to affordable housing;
- The cost, not paid with federal resources, of on-site or off-site infrastructure improvements that are directly required for the HOME-assisted development. The infrastructure must have been completed no earlier than 12 months before HOME funds are committed to the project;
- Donated site-preparation or construction materials not acquired with federal funds, or the reasonable rental value of the donated use of site preparation or construction equipment;
- Volunteer skilled or unskilled labor and donated professional services. Unskilled labor is currently calculated at the rate of $10 per hour;
- The direct cost of supportive services provided to families residing in HOME-assisted units during the affordability period. The supportive services must be necessary to facilitate independent living or be required as part of a self-sufficiency program;
- Contributions to non-HOME-assisted but HOME-eligible developments, if certain federal requirements are met (income eligibility of occupants, property standards, rent limits, project occupancy requirements, affordability period, and tenant protections); and
- Neighborhood Assistance Program (NAP) credits

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan
N/A

Prior year resources. Prior Year funds will be used for eligible HOME projects, including rental and homebuyer.

AP-25 Allocation Priorities – 91.320(d)

Introduction

This section summarizes the estimated allocation of funds among activities for PY2020. Per HUD distribution regulations, HOPWA will be allocated as: 67.9% TBRA/STRMU/facility operations; 20% housing information; .7% supportive services; 9.6% administration; 1.8% program delivery.

	Improve Community Water and Wastewater Systems (%)	**Support Community Revitalization (%)**	**Improve and Construct Public Facilities (%)**	**Improve Stormwater Systems (%)**	**Provide Planning Grants to Local Government/CHDOs (%)**	**Support Community Development Activities (%)**	**Create and Preserve Affordable Rental Housing (%)**	**Create/Preserve Affordable Owner Occupied Housing (%)**	**Build Nonprofit Housing Developer Capacity (%)**	**Provide Tenant-Based Rental Assistance (%)**	**Provide Operating Support (%)**	**Provide Rapid Re-Housing, Prevention, and Information (%)**
CDBG	39%	5%	3%		4%	36%		10%			3%	
HOME							77%	10%	6%	7%		
HOPWA										67.9%		
ESG												
HTF												

Table 52 – Funding Allocation Priorities

ESG is to be determined pending the allocation amount. It is likely that the distribution will represent prior years'.

Reason for Allocation Priorities

The State of Indiana does not prioritize the allocation of CDBG, HOME or ESG geographically. For CDBG awards, OCRA and IHCDA allocate funds to the areas of greatest need, based on stakeholder and resident consultation and the needs assessment and market analysis. This information is used to guide the funding priorities for each program year.

OCRA proposes a new program in 2020—a Needs Responsive, or Flexible Fund, to address community needs that are not addressed through other programs; these may include emergency needs.

Exact criteria vary by program, yet all programs prioritize assisting low income households. Most of IHCDA's housing programs prioritize 50 percent AMI households; ESG and HOPWA generally reach to lower income levels due to the nature of the populations they serve.

ESG allocates emergency shelter and rapid re-housing, homeless prevention and outreach activities are target statewide.

The HOPWA grant does rely on a geographic allocation, determined through the Continuum of Care regions. Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region, IHCDA will work with the regional sponsor to tailor services to meet the needs of the population.

HTF for rental development will be allocated statewide, to projects that meet the underwriting standards as defined under 24 CFR 93.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan

The distribution of housing funds addresses the critical, and growing, need for affordable rental housing. IHCDA, through its HOME and HTF programs accesses market need, developer financial capacity, the experience of the developer, the financial capacity of the project through the period of affordability. IHCDA also scores these applications on the past performance of the applicant, if the location of the proposed project is near areas of opportunity through its "Opportunity Index" (i.e. in counties with low unemployment), if the location of the project promotes positive health outcomes through it's "Health Needs Index" (i.e. proximity to pharmacies) and if the project will provide a high level of broadband access.

CDBG funds are prioritized for basic health and safety improvements—specifically water and sewer infrastructure investments and emergency and public health and safety needs—in rural areas that do not have the financial capacity or resources to make such critical improvements. Half of the distribution of CDBG allocates these priority needs. The balance address priority needs of economic growth and revitalization of rural communities.

IHCDA’s OOR program prioritizes health factors through its Priority List, targeting health and safety, structural hazards, and aging in place/accessibility features.

Through its two allocation policies, IHCDA will continue to support supportive housing in its use of the NHTF. To be eligible for either a set-aside of HOME/NHTF or RHTC/NHTF, teams must be accepted, and complete the Indiana Supportive Housing Institute, which focuses on the needs of the extremely low- income population.

IHCDA will continue to support comprehensive development and homeownership development through its set-aside of funding through the homebuyer construction set-aside and the new Project Development track, in which either homebuyer construction, rental construction, or a combination may be pursued.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

This section summarizes the Methods of Distribution (MOD) for CDBG, HOME, ESG, and HOPWA for PY2020. Full MODs are appended to this Action Plan.

Distribution Methods

1	**State Program Name:**	CDBG-OOR
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	CDBG Owner Occupied Rehabilitation (OOR) application and program information can be found at: https://www.in.gov/myihcda/cdbg.htm This program consists of CDBG funding that is allocated to IHCDA for administration of OOR.
	Describe all the criteria that will be used to select applications and the relative importance of these criteria.	Scoring is located in the final portion of the OOR MOD (attached). In sum, each application is evaluated based on: Population served (14 points), Needs Analysis (15 points), Readiness (5 points) Capacity (14 points), Leveraging (6 points), Additional Program Features (7 points). Total possible points = 61. The scoring incorporates points for projects that serve below 50% AMI households, persons with disabilities, seniors, veterans and families with children.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Please see the attached MOD for the CDBG OOR program. IHCDA offers training and webinars to partner organizations on topics ranging from program application requirements to funds management to weatherization courses. IHCDA maintains a Resource Center on its website with detailed manuals that instruct its partners on how to develop and administer programs.
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A

	Describe how resources will be allocated among funding categories.	$3.0 million of CDBG is allocated to IHCDA to use for owner occupied rehabilitation of units occupied by low and very low income households. See above MOD for description of the contingency plan.

Describe threshold factors and grant size limits.	The maximum request amount per application is $350,000. Funds must not exceed $25,000 per unit. Detailed subsidy limitations and eligible activity costs are located in the attached CDBG OOR MOD.
What are the outcome measures expected as a result of the method of distribution?	The OOR program is designed to improve the quality of existing housing stock in Indiana through owner occupied rehabilitation of properties occupied by low and very low income households. Secondary benefits will include neighborhood revitalization, enabling seniors to age in place, providing accessible, quality housing for persons with disabilities, promoting healthy families and improving energy efficiency in housing. IHCDA is also prioritizing repairs that may be detrimental to health, and that owners are aware of other hazards.

2	**State Program Name:**	Emergency Solutions Grant (ESG)
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	The ESG application and more information can be found at: https://www.in.gov/myihcda/ESG.htm. ESG uses different applications for each activity type (street outreach, shelter, rapid re-housing). Funding through the Emergency Solutions Program assists persons and families who are homeless find shelter, avoid homelessness and transition into permanent housing.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	IHCDA plans to allocate funding to approximately 10-12 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration. There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one-two agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance and will be published on the IHCDA and Balance of State CoC website. Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	IHCDA plans to allocate funding to approximately 10-12 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration. There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one-two agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the

		average of their proposal score and the amount of funding that will be available.

	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
	Describe how resources will be allocated among funding categories.	No more than the maximum allowed of 60 percent of ESG funds will be allocated to operations, TBRA, and/or STRMU.
	Describe threshold factors and grant size limits.	The amount of each award could be between $50,000 - $350,000

	What are the outcome measures expected as a result of the method of distribution?	The goal of ESG is to prevent homelessness and assist families and individuals experiencing homelessness to find housing as quickly as possible. Please see the ESG MOD for the performance standards expected of ESG subrecipients.
3	**State Program Name:**	HOME
	Funding Sources:	HOME

	Describe the state program addressed by the Method of Distribution.	The HOME application and information can be found at: https://www.in.gov/myihcda/home.htm Tenant based rental assistance programs funded with HOME have a separate application, found here: https://www.in.gov/myihcda/2676.htm HOME Partnership Investments Program, which is used to fund affordable rental unit construction and rehabilitation, develop affordable owner-occupied housing, assist special needs and homeless residents with housing needs (including through TBRA) and support the work of CHDOs.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Scoring appears in the HOME MODs for rental and homeownership programs. Those going through the Indiana Permanent Supportive Housing Institute or the Rental Housing Tax Credit Program must meet the requirements of those applications to be eligible as well as HOME regulations. HOME rental applications are evaluated based on: Project characteristics (33 points), Development Features (33 points), Readiness (8 points), Capacity (21 points), Leveraging Other Sources (6 points), Unique Features/Bonus (9 points). The scoring incorporates points for accessibility and visitability features in housing developments. HOME homebuyer applications will be accepted on a rolling basis. If there are not eligible homebuyer applications, these funds may revert to rental. The scoring incorporates points for accessibility and visitability features, as well as units with 3+bedrooms in housing developments. IHCDA will also be kicking off a “Project Development Track”. A select number of non-profit teams will be able to respond to a competitive RFQ. Those chosen will be required to go through an intensive four-five month project development training, through a HUD TA provider. Upon successful graduation, those teams may be eligible for additional

		HOME funding on a rolling basis. CHDO Pre-Development Funds are also available to eligible CHDOs on a rolling basis until funds are exhausted. CHDO Operating Fund are also available to eligible CHDOs if they are funded for a CHDO Reserve project.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A

	Describe how resources will be allocated among funding categories.	For the 2020 program year, the approximately $19.25 million expected HOME funding will be allocated among the following programs: $10million rental construction projects $1 million homebuyer construction projects $900,000 Tenant Based Rental Assistance (TBRA) (if not utilized, will be converted to rental construction). TBRA may be used in other Participating Jurisdictions. $6 million for the Project Development track, which may be used for either Homebuyer or Rental housing construction. If these funds are not utilized, they may convert to HOME rental construction. This will be funded through prior year funds. $500,000 CHDO Operating and CHDO Pre-Development loans $456 million administrative ($900,000 internal) and $560,000 organizational capacity building. If IHCDA does not receive eligible homebuyer applications, that set-aside will revert to rental construction. If the final HOME allocation is either increased or decreased from the above proposed amount, the set aside for rental will increase or decreased. If the HOME allocation decreases to where the set- aside for the administrative set-aside is above the allowable 10%, IHCDA will decrease the amount for administration to equal the 10% allowable under the HOME regulations.

	Describe threshold factors and grant size limits.	The maximum request amount per application is $1,000,000 for Rental (non-CHDO or CHDO in an eligible PJ), $1,500,000 (CHDO) $500,000 for homebuyer projects and $6,000,000 for the Project Development track. HOME funds used for acquisition, rehabilitation, new construction, soft costs, relocation, rent-up reserve, and developer's fee combined cannot exceed the following for units designated 50% AMI or higher: $66,000 for a studio, $75,000 for a 1 bedroom unit, $92,000 for a 2 bedroom unit, $117,000 for a 3 bedroom unit and $128,000 for a 4+ bedroom unit; or the following for units designated 40% or lower: $69,000 for a studio, $79,000 for a 1 bedroom unit, $96,000 for a 2 bedroom unit, $122,000 for a 3 bedroom unit and $134,000 for a 4+ bedroom unit The minimum amount of HOME funds to be used for rehabilitation or new construction is $1,001 per unit. HOME funds cannot be used for reserve accounts for replacement or operating costs, but may be used as a Rent-Up Reserve. Lead hazard and homebuyer counseling are limited to $1,000 per homeowner/buyer. Tenant Based Rental Assistance will be made available to Partners through a Request for Qualifications. TBRA may pay for rent, security deposits and utility deposits. Eligible participants under this program are households in which at least one household member was formerly incarcerated. TBRA is available statewide. Information on the TBRA Administration Plan and the RFQ may be accessed here: https://www.in.gov/myihcda/2676.htm

	What are the outcome measures expected as a result of the method of distribution?	Actual outcomes will depend on the types of applications received. All programs have the same goal of improving the quality of existing housing stock in Indiana.
4	**State Program Name:**	HOPWA
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	The HOPWA award manual and request for qualifications for applicants can be found at: https://www.in.gov/myihcda/hopwa.htm Housing Opportunities for Persons with HIV/AIDS assists persons with HIV and/or AIDS and who also have an income below 80% of AMI with housing placement and rental subsidies.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds: • Required to be a non-profit organization • Required to be a current Indiana State Department of Health Care Coordination Site. • Previous experience providing HOPWA assistance. Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds: • Required to be a non-profit organization • Required to be a current Indiana State Department of Health Care Coordination Site. • Previous experience providing HOPWA assistance. Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region. By having all subrecipients to be current Indiana State Department of Health - Care Coordination Site, we are providing a one stop shop for persons to

		access level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services and housing if needed.

	Describe how resources will be allocated among funding categories.	Funds will be made available in the following percentages of the total awards made to project sponsors: • At least 60 percent to direct housing assistance: long-term rental assistance, short term rental assistance, and facility based operations; • No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; • No more than 35 percent to housing information and permanent housing placement activities; • No more than 35 percent to supportive services that positively affect recipients' housing stability. Once the Federal budget is determined, IHCDA will make adjustments proportionally to increase or decrease the above HOPWA allocation MOD.

	Describe threshold factors and grant size limits.	Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7 and parts of Region 11, it was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region, IHCDA will work with the regional subrecipient to tailor services to meet the needs of the population.

	What are the outcome measures expected as a result of the method of distribution?	For HOPWA, IHCDA will use the following indicators to measure subrecipient's ability to achieve the desired outcomes: • Rental Assistance households/units • Short-term rent, mortgage and utility assistance households/units • Facility based housing operations support units • Housing information services households • Permanent housing placement services households • Supportive services households
5	**State Program Name:**	Housing Trust Fund (HTF)
	Funding Sources:	
	Describe the state program addressed by the Method of Distribution.	More information about the National Housing Trust Fund and the allocation plan can be found at: https://www.in.gov/myihcda/2564.htm

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	HTF will be offered exclusively to developments that are accepted into the Indiana Permanent Supportive Housing Institute and complete the Institute. Use of the HTF will be open to successful graduates of the Permanent Supportive Housing Institute. These applicants will apply for a set-aside of HTF and Low Income Housing Tax Credits. Threshold and minimum scoring requirements to be eligible for the HTF. IHCDA may accept standalone applications at their discretion. IHCDA developed five (5) categories of scoring criteria within its QAP, based on the needs assessment conducted and established housing goals. Those include: Rents Charged (16 points), Development Characteristics (63 points), Sustainable Development (14 points), Financing & Market (20 points), Other (35 points).

	If only summary criteria were described, how can potential applicants access application manuals or other **state publications describing the application criteria? (CDBG only)**	N/A

	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A

	Describe how resources will be allocated among funding categories.	$3,359,279 of HTF will be used for projects that successfully complete the Indiana Permanent Supportive Housing Institute. Approximately $265,880 will be used for program administration.

	Describe threshold factors and grant size limits.	For projects requesting RHTC and HTF, the maximum request amount per application is $400,000 – however, IHCDA will accept waivers. At IHCDA's discretion, IHCDA may underwrite and award an increased amount of the HTF allocation plan. HTF funds for acquisition/rehab, acquisition/new construction, rehabilitation, or new construction cannot exceed: $90,000 for a studio, $105,000 for a 1 bedroom unit, $120,000 for a 2 bedroom unit, $145,000 for a 3 bedroom unit and $160,000 for a 4+ bedroom unit. Each application must address only one development. See the attached policy for threshold and scoring criteria.

	What are the outcome measures expected as a result of the method of distribution?	Actual outcomes will depend on the types of applications received. All programs have the same goal of improving the quality of existing housing stock in Indiana and developing rental housing for extremely low income persons.
6	**State Program Name:**	State Allocation of CDBG
	Funding Sources:	CDBG

	Describe the state program addressed by the Method of Distribution.	The CDBG MOD discusses the allocation of funds to subrecipients within the State programs of: • Owner-occupied rehabilitation (allocated to IHCDA), • Stellar Regions Program, • Blight Clearance Program, • Main Street Revitalization Program, • Public Facilities Program, • Water Improvements Program, • Needs Responsive Fund, • Planning Fund, • Technical Assistance, and • Administration

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Program criteria vary. In general, applications are accepted, and awards are made on a competitive basis throughout the program year. Criteria to select applications are located in attachments to the CDBG MOD.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Please see the MOD attached to this Action Plan.
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A

	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A

	Describe how resources will be allocated among funding categories.	For the 2020 program year, the $30.5 million expected CDBG funding will be allocated among the following programs: • Owner-occupied rehabilitation (allocated to IHCDA), $3 million • Stellar Regions Program, $9 million • Blight Clearance Program, $500,000 • Main Street Revitalization Program, $1 million • Public Facilities Program, $1 million • Water Improvements Program, $12 million • Needs Responsive Fund, $2 million • Planning Fund, $1.2 million An additional $200,000 will be used for technical assistance and $600,000 will be allocated to cover administrative costs associated with the programs. Contingency Plan for CDBG: If cuts are less than 25%: • IHCDA CDBG OOR remains at 10% of the total CDBG allocation • Admin and Technical Assistance remain at allowable percentages • Spread remaining percentage reduction throughout all remaining programs If cuts are greater than 25%: Housing program will not be funded, admin and Technical Assistance remain at allowable percentages, a substantial amendment is issued to reprogram other funds.

	Describe threshold factors and grant size limits.	Please see the program specific grant limits and factors located in the CDBG MOD.
	What are the outcome measures expected as a result of the method of distribution?	The expected outcomes vary by program; full details are contained in the CDBG MOD. For example, the Stellar Communities Program will make grants available to communities for comprehensive revitalization strategies. In these revitalization strategies, communities will identify areas of interest and types of projects, produce a schedule to complete the projects, produce cost estimates, identify local match amounts, sources, and additional funding, indicate the level of community impact and describe the significance each project will have on the overall revitalization of the region. From these revitalization strategies, regions will produce a three-year regional development plan which will identify capital and quality of life projects to be completed during that period.

Table 49 - Distribution Methods by State Program

AP-35 Projects – (Optional)

Introduction:

This section is not required for States.

Both OCRA and IHCDA closely monitor the success of their programs funded with HUD block grants. Throughout the program year and as part of the Consolidated Plan process, OCRA and IHCDA consult with stakeholders to ensure that the programs developed with HUD block grant funds are meeting unmet needs and making the greatest impact.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

OCRA and IHCDA reviewed findings from the stakeholder survey, interviews, focus groups, and public comments during development of the plan to finalize MODs and allocation plans. The CDBG MOD and IHCDA allocation focus on the high-prioritized needs of: Public Infrastructure; Affordable Housing; and Economic Development and Community Revitalization. Transportation—another high priority need—is not able to be addressed through these block grants.

The State also continues to respond to the findings of two recent studies that evaluated Indiana's water utility needs. A November 2016 study commissioned by the Indiana State Legislature found immediate infrastructure costs to improve the State's water system to be $2.3 billion. After the initial infrastructure upgrade to address the most critical needs, an additional $815 million is needed annually to maintain the utilities into the future.

The Indiana Advisory Commission on Intergovernmental Relations (IACIR) estimates total statewide capital needs for water and wastewater infrastructure in Indiana will range between $15.6 and $17.5 billion for the next 20 years. This study found a need in all counties in the state and concluded that the current level of State and local government investment is insufficient to meet these infrastructure needs, leaving the State with at least an $8.5 billion gap over the next 20 years.

These studies demonstrate that the most significant gap in addressing needs is funding. This is also true for service provision. The state's rapidly aging rural areas have growing needs for service provision, including public transportation. To provide social services and transportation in a cost-effective manner, some level of density is required--a challenge in rural Indiana. The current solution is to fund housing preservation initiatives (including OOR), build capacity for CHDOs to deliver housing and supportive service needs, and continue to support and bolster existing, community-based support networks.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help nonentitlement units of general local government to apply for Section 108 loan funds?

OCRA developed a Section 108 program and intended for funds to be available during PY2019. The focus of the program was on providing nonentitlement communities loan guarantees on funds for infrastructure projects.

OCRA currently has an approved loan pool, but it has not been accessed. Proposed modifications to the Stellar program will, in part, address some of the challenges with Section 108. OCRA is also investigating potential partnerships with other State agencies that would enhance the impact of the funds.

Eric Ogle at OCRA (EOgle1@ocra.IN.gov) should be contacted for more information about the Section 108 loan pool status.

Acceptance process of applications

Please see above.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No.

State's Process and Criteria for approving local government revitalization strategies

N/A

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State of Indiana does not prioritize the allocation of CDBG, HOME or ESG geographically. Instead, OCRA and IHCDA allocate funds to the areas of greatest need, based on stakeholder and resident consultation and the needs assessment and market analysis. This information is used to guide the funding priorities for each program year.

OCRA proposes a new program in 2020—a Needs Responsive, or Flexible Fund, to address community needs that are not addressed through other programs; these may include emergency needs.

Exact criteria vary by program, yet all programs prioritize assisting low income households. Most of IHCDA's housing programs prioritize 50 percent AMI households; ESG and HOPWA generally reach to lower income levels due to the nature of the populations they serve.

For IHCDA's HOME program, applications for rental and homeownership projects located within non-participating jurisdictions and those Participating Jurisdictions which receive less than $500,000 of HOME funding directly from HUD will be considered for funding.

Several IHCDA programs are available for projects statewide. This includes IHCDA's HOME Tenant Based Rental Assistance Program, and projects selected through its Supportive Housing Institute, which utilize HOME and NHTF.

All other NHTF projects for rental development will be allocated statewide.

The HOPWA grant does rely on a geographic allocation, determined through the Continuum of Care regions because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Washington, Harrison, Floyd, Scott and Clark counties. These four counties are served by KY. It was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region (for example, homeless men in Lake County), IHCDA will work with the regional subrecipient to tailor services to meet the needs of the population.

Rationale for the priorities for allocating investments geographically

The State agencies that receive funds determine geographic allocation based on grants that are awarded each year. Both OCRA and IHCDA monitor geographic distribution of funds to ensure that application criteria do not have the effect of disproportionately allocating funds into specific geographic areas.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

This section lists the one year goals for numbers of households supported. These numbers are based on prior year accomplishments (reported in the CAPER) and projected project costs.

One Year Goals for the Number of Households to be Supported	
Homeless	375
Non-Homeless	425
Special-Needs	375
Total	1,175

Table 54 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	
The Production of New Units	300 rental; 75 owner
Rehab of Existing Units	300 rental; 500 owner
Acquisition of Existing Units	
Total	1,175

Table 55 - One Year Goals for Affordable Housing by Support Type

Discussion

Numbers of households to be supported through production of new units, rehab of existing units and acquisition of existing units is not yet known. It will be based upon the number of applications received.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

This section describes IHCDA's efforts as a public housing authority to improve the needs of renters receiving public housing subsidies.

Actions planned during the next year to address the needs to public housing

Last year IHCDA implemented small area fair market rents (SAFMR) for the HCV program for a portion of its jurisdiction. In the next year IHCDA plans to implement SAFMR across its entire jurisdiction. The implementation of SAFMR will provide HCV recipients increased access to housing in areas of the state that previously had a limited stock of available units that were affordable to HCV recipients.

Additionally, IHCDA has increased its focus on making the HCV program accessible to non-elderly disabled populations by marketing the program to Area Agencies on Aging and SIL organizations and working with these organizations to provide accommodations to the applicant throughout the application and leasing process.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

N/A; the State does not own or operate public housing developments.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

IHCDA is a High Performing Section 8, only PHA.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

For the 2020 Action Plan, the State considered feedback from service providers and shelters about the growing challenges of assisting residents experiencing homelessness. Stakeholders continued to express concerns about the limited housing and services to assist persons recovery from addiction, especially those leaving the criminal justice system. Housing with an integrated care model is imperative for these residents, and needed for persons with disabilities and seniors.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The State relies on its partners to conduct outreach to persons who are homeless, assess their needs and communicate these needs to the State. To that end, the State will:

- Require all HUD McKinney Vento Funded programs to utilize HMIS for all shelter or transitional housing or permanent supportive housing programs serving homeless individuals and families.

- Require all HUD McKinney Vento Funded programs to participate in the annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to IHCDA.

- Require all HUD McKinney Vento Funded programs subrecipients actively participate in their Regional Planning Council on the Homeless meetings regularly.

- Require all HUD McKinney Vento Funded programs to participate in the Coordinated Entry in their Region.

Addressing the emergency shelter and transitional housing needs of homeless persons

In addition to the allocation of ESG to meet the needs of persons who are homeless (see AP-20), emergency shelter and transitional housing needs are addressed through the ESG's participation in their local Regional Planning Council on Homeless in their Region but also through each Committee under the CoC Board. The Committees have been updated by the new CoC Board. They are: Executive Committee, Resources and Funding Committee, Strategic Planning Committee, Performance and Outcomes Committee and Ad Hoc Committees as needed. The State ESG program is part of the work of each committee in some way or another.

The strategic objectives of the CoC Board are being updated in the summer of 2020 through an updated strategic plan.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Rapid re-housing activities include housing relocation and stabilization services and financial assistance with rent, utilities, arrears, and deposits. The function of these funds is to provide short-term assistance to individuals and families. The State offers shelters a version of RRH that did not include rental assistance, and instead covers one time assistance to support a direct connection from shelter to permanent housing including housing relocation and stabilization services, utilities, arrears, and deposits.

Sub-recipients that receive RRH funds are required to create a Memorandum of Understanding (MOU) with shelters in their region to further strengthen the connection from emergency housing to permanent options including rentals with short/medium term subsidy.

A persistent barrier to the transition to permanent housing is lack of employment. This remains especially difficult in rural areas. Emergency shelters also reported that clients face challenges in moving from the shelter into permanent or transitional housing within the 40-day timeframe, which was the objective. Lack of affordable housing availability continues to be a key factor in extended lengths of stay in shelter while the housing search is in process.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Indiana Supportive Housing Institute is an important element of the Indiana Permanent Supportive Housing Initiative (IPSHI), which was launched by IHCDA and the Corporation for Supportive Housing (CSH) in 2008 to further the strategy to end long-term and recurring homelessness. The focus is on funding lasting solutions instead of stop-gap programs. The 2020 Institute will design supportive housing to serve households experiencing homelessness referred from the local Coordinated Entry system.

The 2020 Institute will build capacity of partners who are new to supportive housing in Indiana and create units in underserved areas. The Institute will help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. The Institute process is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process.

Consideration will be given to both integrated supportive housing and 100 percent supportive housing developments.

The 2020 Institute will provide targeted training, technical assistance, and the opportunity to apply for pre-development financing for both new and experienced development teams. Teams will receive over 80 hours of training including individualized technical assistance and resources to assist in completing their project. In addition, industry experts, including staff from the Indiana Housing and Community Development Authority (IHCDA), will provide insight on property management, financing, and building design.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	225
Tenant-based rental assistance	125
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	350

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

In 2016, the State of Indiana updated its Analysis of Impediments to Fair Housing Choice (AI) to incorporate the new Assessment of Fair Housing framework for identifying barriers to housing choice— as well as access to opportunity. Data and information collected to develop this Consolidated Plan will update the AI to 2020.

The following fair housing issues were identified in the 2016 AI, which included quantitative analysis, input from stakeholders in two rounds of surveys, focus groups and interviews, and a statistically significant resident survey with oversampling of persons with disabilities and non-White residents.

Housing Issues

- Poor condition of affordable housing stock according to residents and stakeholders. Inability of residents to make needed improvements due to low incomes.
- Disproportionately high levels of cost burden and lower levels of homeownership for minority populations other than Asian residents.
- Cost burden gaps are greatest for minority residents earning between 30 and 50 percent of the area median income—those just over the poverty level (lower middle class).
- Minority residents and residents with disabilities are most likely to express challenges with home buying associated with down payments and mortgage loan qualifications.
- High mortgage loan denial rates for non-White residents, even when adjusting for income level.
- Higher use of publicly-supported housing by African American residents, suggesting challenges obtaining private market housing.
- Housing choice for residents with disabilities restricted by the lack of available, affordable, accessible housing. Nearly one-fourth of residents say the home they live in does not meet their family's disability needs and nearly two-thirds cannot afford to make improvements. The most needed improvement is ramps and handrails.
- Landlords not accepting service animals and charging higher rents or deposits for persons with disabilities requesting reasonable accommodations.

Lack of rental housing for families with children: on average 72 percent of Housing Choice Voucher wait lists are families with children. PHAs surveyed for the AI consistently rated families with children as the demographic group with the most trouble finding rental housing—even more so than residents with criminal backgrounds.

Economic Opportunity Issues

- Gaps in educational attainment for Hispanic residents.
- Residents with disabilities face challenges finding employment and those who are employed earn

less than those without a disability.

- Economic differences contributing to segregation, mostly in urban areas. In some areas, systemic steering, lack of opportunity and lack of available housing perpetuate racially homogenous neighborhoods.
- Limitations (property tax caps) on State and local tax revenue generation.
- Severe lack of services and trained staff to deliver mental health and supportive services.

The factors contributing to these issues are:

- Economic weaknesses in some nonentitlement areas preventing residents from making needed repairs.
- Lack of accessible housing stock.
- Historically lower incomes of non-White and Hispanic residents and, for Hispanic residents, lower rates of educational attainment.
- Residents with disabilities facing lower employment opportunities and discrimination in housing markets.
- Families with children and non-White and Hispanic residents experiencing discrimination in rental market transactions.
- Landlords not complying with and/or not understanding fair housing laws, particularly reasonable accommodations.
- Insufficient resources to fund ADA improvements to public buildings and infrastructure, particularly in rural areas.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Since the 2016 AI was developed, OCRA and IHCDA have worked closely with the Fair Housing Center of Central Indiana (FHCCI) and the Indiana Civil Rights Division (ICRC) to address the identified barriers. These partnerships will continue during the 2020 Program Year and will focus on: Fair housing testing; Fair housing training and education and outreach; and Inspecting and testing IHCDA funded properties for fair housing compliance.

Land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations and policies affecting the return on residential development and largely determined at the local level and are outside of the State's purview.

AP-85 Other Actions – 91.320(j)

Introduction:

This section describes a variety of other efforts the State will continue during the program year to help address housing and community development needs.

Actions planned to address obstacles to meeting underserved needs

The State will continue to provide training for the application process associated with the HUD grants to ensure equal access to applying for funds, and continually review and update its proposed allocation with current housing and community development needs, gathered through the citizen participation plan and demographic, housing market and community development research.

As an example, the IHCDA HOME Rental Policy contains an Opportunity Index scoring section. The purpose of this category is to incentivize developments in areas of opportunity. The Opportunity Index awards points for locating projects in areas close to public transportation and fresh produce as well as in areas with low unemployment rates, high job growth, and high median household incomes.

Similarly, the IHCDA CDBG OOR Policy contains a Needs Analysis scoring section. This category assesses the market need of the targeted area based on socio-economic factors and awards points to applicants proposing projects in areas where data indicates a strong need for assistance. Factors examined in this category include the median age of owner-occupied structures and county poverty rates.

Together, these categories enable IHCDA to ensure projects are being funded in areas of opportunity and in areas where there is a high need for assistance.

IHCDA has also worked on providing and supporting capacity building of non-profits and CHDOs, offering a myriad of trainings including, but not limited to: National Development Council Rental Housing Development Certification, CHDO and Non-Profit Executive Course, HOME Fundamentals Training, Project Development Training, Green Building Certification, Lead and RRP Training and Certification, Aging in Place Certification, Universal Design Certification, Fair Housing Training, and training on Environmental Reviews and Section 106. Though this training, IHCDA hopes to continue to provide quality training on how to use its federal funding and to ensure the highest quality of affordable housing.

Actions planned to foster and maintain affordable housing

The primary activities to foster and maintain affordable housing are the State's CDBG, HOME and HTF funded activities that include the production of new units, homeownership opportunities, home rehabilitation and capacity support for affordable housing developers. IHCDA uses each of its programs to target a variety of needs and populations including, though not limited to: seniors, persons who are homeless, persons with physical or developmental disabilities, persons with mental impairments, persons with chemical addictions, single parents, victims of domestic violence, abused children families with children six and under veterans, and the re-entry population. IHCDA has supported numerous trainings on different facets on developing and maintaining affordable housing, and supporting fair housing and access to safe, quality housing across the state.

Through the CDBG Program, IHCDA seeks to improve the quality of existing housing stock in Indiana. This program is designed to give preference in allocating Community Development Block Grant Owner- Occupied Repair (CDBG OOR) funding among selected developments that meet IHCDA's goals:

- Demonstrate they are meeting the needs of their specific community.
- Attempt to reach low and very low income levels of area median income.
- Are ready to proceed with the activity upon receipt of the award.
- Revitalize existing neighborhoods, preferably with a comprehensive approach as part of a published community revitalization plan.
- Propose projects that promote aging in place strategies for seniors, families with seniors, and persons with disabilities.
- Propose projects that promote healthy family strategies for families with children under the age of 18.
- Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.

IHCDA's HOME program is focused on the follow goals:

1. Demonstrate they are meeting the needs of their specific community;
2. Reach low and very low-income levels of area median income;
3. Link the project to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
4. Advance projects that promote aging-in-place strategies for seniors, persons with disabilities, and families with seniors or persons with disabilities;
5. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure

Applicants of IHCDA's programs and funds are encouraged to engage in an array of activities necessary to attain the solutions desired by a community, such as:

- Pre-development and seed financing – limited to eligible nonprofits
- Permanent Supportive Housing – Applicants must participate in the Indiana Supportive Housing Institute to be considered for an IHCDA investment.
- Rental assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of rental housing
- Homeownership counseling and down payment assistance (not available using HOME funding)
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of homebuyer housing
- Rehabilitation, modification, and energy improvements to owner-occupied housing.

Additionally, the State utilizes other programs (summarized earlier in this section) to help foster and maintain affordable housing and include:

- Affordable Housing and Community Development Fund;
- Indiana Foreclosure Prevention Network;
- Low Income Housing Tax Credits (LIHTC); and
- Section 8 voucher program.

Actions planned to reduce lead-based paint hazards

Lead-based paint hazards will primary be addressed through CDBG and HOME funded rehabilitation activities. IHCDA has developed new lead forms, and done multiple trainings on how to address lead based paint through both these programs in partnership with HUD. In PY2020, IHCDA will be sponsoring a workshop on the Lead Safe Housing Rule and the HUD Lead regulations to administrators and contractors. IHCDA will also be addressing the dearth of eligible risk assessors, inspectors and licensed contractors by working with the Indiana Builders Association to advertise trainings. IHCDA has also developed a program to allow for reimbursement for contractors to receive their appropriate lead licenses.

In addition, IHCDA has been awarded the Lead Hazard Reduction Demonstration Grant through HUD. In partnership with the Indiana State Department of Health, IHCDA is using these funds will for the identification of lead hazards in units occupied by children who have been lead poisoned or are at-risk of becoming lead poisoned; the remediation of the lead hazards through appropriate control or abatement procedures; and ancillary activities such as training, outreach, and casework. Healthy Homes funding will promote and develop coordination of the lead hazard control activities with other healthy homes steps. These and other activities include providing smoke detectors, providing carbon monoxide detectors, installing anti-scald devices on bathtubs and installing and/or checking handrails. IHCDA is in their third year of executing this vital grant.

IHCDA will also be keeping a database of lead-free housing for rental units which undergo lead hazard control through the LHRD grant program.

IHCDA also developed a Lead Advocacy Team, consisting of IHCDA staff, State Department of Health, and the Indiana Community Action Association (INCAA) to discuss lead-based paint hazards across the state. In 2018, IHCDA, along with INCAA launched the Lead Community Action Plan, which is using CDBG-DR funding to provide lead hazard control to 17 rural counties across the State. This program will be closing in 2020.

Lastly, IHCDA in partnership with the Indiana State Department of Healthy has created the Lead Protection Program, which offers multiple resources to qualified residents. IHCDA keeps a website of all state-lead programming, a Lead Paint Safety guide, applications in both English and Spanish for interested families on this website: https://www.in.gov/myihcda/2675.htm

Actions planned to reduce the number of poverty-level families

Indiana has a history of aggressively pursuing job creation through economic development efforts at the state and local levels. This emphasis on creating employment opportunities is central to a strategy to reduce poverty by providing households below the poverty level with a means of gaining sustainable employment.

The Governor's 2020 Next Level plan focuses on expanding educational and skill development opportunities in rural areas; attracting Defense Department-related jobs, and investing in broadband statewide.

In recent years, IHCDA has made several program adjustments to more directly target funds to benefit poverty-level families. IHCDA has added an Opportunity Index to incentive the construction of HOME projects in areas with public transit, low unemployment, high job growth, low poverty rate, and higher household income. IHCDA also added a new scoring category on Health and Quality of Life Factors to incentive HOME developments near primary care physicians, fresh produce, and proximity to positive land uses. IHCDA has eliminated the lien requirement for the CDBG program, to allow more persons to be interested in the program. IHCDA has also eliminated the CDBG OOR match requirements so communities who may not have the match resources can still apply for the program. .

The State also utilizes the Section 3 requirement (a provision of the Housing and Urban Development Act of 1968). Section 3 applies to employment opportunities generated (jobs created) as a result of projects receiving CDBG or HOME funding through ORCA or IHCDA, whether those opportunities are generated by the award recipient, a subrecipient, and/or a contractor. The requirements of Section 3 apply to all projects or activities associated with CDBG or HOME funding, regardless of whether the Section 3 project is fully or partially funded with CDBG/HOME. A detailed description of Section 3 requirements is included in OCRA/IHCDA's award manual. A notice of Section 3 requirements is included in bid solicitations and is covered during the award trainings.

Actions planned to develop institutional structure

OCRA and IHCDA will continue to build capacity, leadership, and institutional structure in rural areas through:

- Regional Capacity Building workshops;
- Webinars and regional meetings to discuss funding opportunities and answer questions from grantees;
- Participation in state conferences to market programs;

- The Indiana Permanent Supportive Housing Institute;
- CHDO working group – a group of eight CHDO across the State of Indiana to discuss successes and challenges with the HOME Program, and to provide peer-to-peer support on non-profit capacity building.
- Trainings on Fair Housing and Reasonable Accommodations, Lead Based Paint, Certified Green Professional Certification, Certified Aging in Place Training and Universal Design; and
- Affordable housing development training.

Actions planned to enhance coordination between public and private housing and social service agencies

The State has an active network of community development corporations, many of which have become increasingly focused on housing and community development issues. These organizations are engaged in a variety of projects to meet their communities' needs, from small-scale rehabilitation programs to main street revitalization. Public housing authorities exist in the major metropolitan areas and in small to medium-sized communities throughout the State.

The State also has several organizations that advocate for State policies and organize housing and community development activities at the State level. Prosperity Indiana provides policy coordination, as well as training and technical assistance, to support nonprofit housing and community development activities. The Back Home in Indiana Alliance is composed of Indiana leaders in several affordable-housing and disability-related organizations and help people with disabilities become homeowners in several Indiana communities.

Through provision of training and technical assistance (discussed above), OCRA and IHCDA support coordination and help to build partnerships with and among these organizations. Examples from prior program years, which will be continued in PY2029, include:

IHCDA's and OCRA's executive leadership and staff speak at public and private housing and community development events. IHCDA staff have spoken at a variety of conferences for Accelerate Indiana Municipalities (AIM); the Indiana Association of Regional Councils (IARC); Indiana Housing Conference; and the Indiana Township Trustees Association, among others.

OCRA holds regular "listening sessions" in nonentitlement areas throughout the state to gather information on economic development and housing challenges. Those sessions provide an opportunity for various housing, service, and community development interests to explore solutions to their needs and foster working relationships.

OCRA's community liaisons (OCRA's can be found at https://www.in.gov/ocra/2330.htm) partner with local units of government, the private sector, and nonprofits to locate and proactively work to locate funding and other resources for community and economic development projects, as well as facilitate the meeting of local officials, state, and federal agencies. They also provide technical assistance on all OCRA programs.

IHCDA's two Real Estate Production Analysts each cover a region of the state (North, and, South) and provide frequent outreach and technical assistance. Outreach is provided by email, over the phone, and in-person when requested. Production Analysts also attend ribbon cutting, groundbreakings, and other promotional events.

IHCDA conducts regional outreach meetings every year. These meetings are held three to five times a year and are each located in a different area of the state in order to ensure that partners in all areas of the state are able to easily attend. The information provided at these meetings is also tailored to address the specific needs of the region in which the meetings is being held. Local projects are highlighted as well. Production Analysts and other IHCDA staff utilize their existing contacts to invite current and potential partners to these meetings. Outreach meetings provide an opportunity for partners to meet their analysts as well as ask questions and provide input on IHCDA policy.

IHCDA also sponsors, in partnership with the Indiana Affordable Housing Conference, the Indiana Housing Conference. The Indiana Housing Conference is an annual conference for affordable housing professionals in which industry news and best practices are discussed. The conference also provides an opportunity for networking between affordable housing professionals from across the state and country.

The Indiana Supportive Housing Institute will focus on finding lasting solutions instead of stop-gap programs. The 2020 Institute will address issues of homelessness with a focus on serving people experiencing chronic homelessness, including veterans. The 2020 Institute will provide targeted training and technical assistance. Teams will receive over 80 hours of training including individualized technical assistance and resources to assist in completing their project. In addition, industry experts, including staff from IHCDA, will provide insight on property management, financing, and building design.

IHCDA has also continued to partner with the State Department of Heath on Lead based Paint and is partnering with ISDOH on the Lead Hazard Reduction Demonstration Grant. IHCDA has started a Lead

Advocacy Group who meets monthly to discuss lead-based paint issues throughout the state. The group consists of IHCDA, ISDH, and the Indiana Community Action Agency.

IHCDA has also established a strong relationship with the Family and Social Services Administration (FSSA) to coordinate affordable assisted living rental housing production and housing for persons with intellectual or developmental disabilities, or persons who have a chemical addiction.

Finally, when funding rounds are open, OCRA and IHCDA both hold webinars and regional visits were held to educate potential grantees about the application process.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Please see below and the attached MODs for program specific requirements.

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed = $0

2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan = $0

3. The amount of surplus funds from urban renewal settlements = $0

4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan = $0

5. The amount of income from float-funded activities

Total Program Income

Other CDBG Requirements

1. The amount of urgent need activities = $0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall benefit – A consecutive period of one, two, or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. = 80%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

N/A

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The recipient must implement recapture restrictions for any homebuyer property purchased, in whole or in part, by a homebuyer that received a direct buyer subsidy from the recipient in an amount greater than or equal to One Thousand and 01/100 Dollars ($1,001) from HOME funds. A homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing). Developers, other than CHDO's, are not allowed to provide down-payment or closing cost assistance; however a developer may provide a direct subsidy by reducing the purchase price from fair market value to an affordable price.

There are two different consequences that may be associated with a recapture provision: (1) the recapture provision can be triggered (as described just below) or (2) an event of non-compliance can occur (as described further below). The recapture provisions are triggered if any of the following occur during the Affordability Period:

1. The homebuyer transfers or conveys the property by deed, land contract, or otherwise;
2. Foreclosure proceedings are commenced against the property;
3. The property is transferred by an instrument in lieu of foreclosure; or,
4. The title to the property is transferred from the homebuyer through any other involuntary means.

The amount of the homebuyer subsidy shall be reduced by multiplying the homebuyer subsidy by the Forgiven Ratio ("defined below") in order to determine the amount that will be forgiven. The amount to be recaptured and shall be limited to the Net Proceeds of the sale. "Net Proceeds" is defined as the sales price minus superior loan repayment (other than HOME funds) and closing costs. If there are no Net Proceeds, the amount to be recaptured will be zero and the HOME loan is considered satisfied. In the event there is significant market appreciation, once the HOME obligation is recaptured, the homebuyer can retain any appreciation. The amount recaptured cannot exceed the Net Proceeds, if any. "Forgiven Ratio" means a ratio that calculates the amount of the Direct Subsidy that is forgiven. This ratio shall be calculated by dividing the number of full months that owner occupies the property as its principal residence by the total of number of months in the Affordability Period.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property.

In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Recapture Agreement.

If there is both a development subsidy and a direct homebuyer subsidy or just a direct homebuyer subsidy, a recapture provision must be implemented. In cases where a direct homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.
Under recapture guidelines the Affordability Period is based upon the total amount of the direct homebuyer subsidy that the homebuyer received in HOME funds. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

Non-Compliance - Occurs during the Affordability Period when any of the following occur: 1) the original homebuyer no longer occupies the unit as his or her principal residence (i.e., unit is rented or vacant), or 2) the home was sold during the Affordability Period and the recapture provisions were not enforced.   In the event of noncompliance, the recipient must repay the entire amount of the HOME funds invested in the property. Net Proceeds ("as defined above") and the Forgiven Ratio ("as defined above") are not applicable when there is a non-compliance.

Applicants are encouraged to structure homebuyer projects to include a direct subsidy which can be achieved by reducing the sales price below the fair market value of the property. IHCDA does not recommend the use of resale provisions due to the risks associated with foreclosure, non-compliance and the administrative burdens associated with ensuring a fair return.

When a homebuyer property is constructed, redeveloped, rehabilitated, or acquired, in whole or in part, with HOME funds and the HOME funds are provided to the homebuyer property in the form of a development subsidy and there is no homebuyer subsidy the recipient must implement resale requirements. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase ("homebuyer subsidy"). The development subsidy consists of the difference between the cost of producing the unit and the market value of the property.

There are two different consequences that may be associated with a resale provisions (1) the resale provision can be triggered and its requirements must be met (as described below) or (2) an event of non-compliance can occur (as described further below).

The resale provisions are triggered if any of the following occur during the Affordability Period:

1. The homebuyer transfers or conveys the property by deed, land contract, or otherwise;
2. Foreclosure proceedings are commenced against the property;
3. The property is transferred by an instrument in lieu of foreclosure; or
4. The title to the property is transferred from the homebuyer through any other involuntary means.

The resale provision requires that the property:

1. Be marketed to families at or below 80% AMI;
2. Be resold to another individual or family whose income is at or below 80% of the area median income;
3. Be occupied by that individual or family as its primary residence for the remainder of the Affordability Period;
4. Be resold at a price that does not exceed 29% of the reasonable range of low income buyer's income towards the principal, interest, taxes and insurance for the property on a monthly basis ("Affordable Price"); and
5. Be affordable for a reasonable range of low income families between 50% and 80% of the median area income for the geographic area published annually by HUD.

The homebuyer is entitled to a fair return on its investment (as described below) upon the sale of the property. The fair return will be based on the percentage change in the Consumer Price Index for All Urban Consumers Owners' Equivalent Rent of Primary Residence category in Table I of the CPI Detailed Report (the "CPI Index") during the period of the homebuyer's ownership of the property. Accordingly, the CPI Index during the month the residence was completed (the month during which the completion reports were received by and approved by IHCDA) will be compared to the CPI Index during the month the homebuyer sells the residence to determine the percentage of the return. This percentage will be multiplied by the homebuyer's investment. Here is an example:

Original sales price = $100,000
Initial homebuyer investment = $5,000
Capital investment = $9,000
Percentage change in CPI = 3.5%

($5,000 + $9,000) x 3.5% = $490 fair return
$5,000 + $9,000 + $490 = $14,490 total return to original homebuyer at sale

$100,000 + $14,490= maximum allowable subsequent sales price.

The homebuyer's investment will include any down payment, plus any capital improvements. A capital improvement is any property enhancement that increases the overall value of the property, adapts it to new uses, or extends its life such as: adding windows, insulation, a new drive way, a new furnace, a garage, bedroom, new roof, remodeling kitchen, etc. Any capital improvement will be valued based on actual cost as documented by the homebuyer's receipts submitted to, and approved by IHCDA. Generally, replacing worn or dated components such as appliances or carpet would not be considered an improvement that adds value or adapts it to new uses. In certain circumstances, such as a declining housing market where home values are depreciating, the homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price and a loss on investment may constitute a fair return.

IHCDA will provide HOME assistance to the subsequent homebuyer to ensure that the original homebuyer received a fair return and that the unit is affordable to the defined low-income population.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property. In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Resale Agreement.

Non-Compliance - Occurs during the Affordability Period when an owner (1) vacates the unit or rents the unit to another household, (2) sells the unit to a buyer that is not income-eligible, (3) sells the unit to a buyer that will not agree to use the property as its principle residence for the remainder of the Affordability Period (will not sign a lien and restrictive covenant agreement), or (4) does not sell it to the buyer at a reasonable price. In the event of noncompliance, the recipient must repay the entire amount of HOME funds invested in the housing.

Under resale guidelines the Affordability Period is based upon the total amount of HOME funds invested into the property and this is the amount that would need to be repaid by the recipient in the event of non-compliance or foreclosure that occurs during the affordability period.

Applicants are encouraged to structure homebuyer projects to include a direct subsidy which can be achieved by reducing the sales price below the fair market value of the property. IHCDA does not recommend the use of resale provisions due to the risks associated with foreclosure, non-compliance and the administrative burdens associated with ensuring a fair return.

Please see the Grantee Unique Appendices for the guidelines. IHCDA does use the home affordable homeownership limits published by HUD.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Please see the Grantee Unique Appendices for the guidelines. IHCDA does use the home affordable homeownership limits published by HUD.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

N/A

Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

Please see the Grantee Unique Appendices for the guidelines.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Coordinated Assessment Committee of the Balance of State Continuum of Care Board is working with the State ESG program to develop and coordinate regional centralized intake and triage centers to ensure access to assistance is driven by the needs of persons experiencing homelessness. IHCDA is the collaborative applicant within the CoC and IHCDA was awarded the Coordinated Access Grant. With the assistance of the CoC Board, IHCDA has will developed and improves upon the coordinated access system.

Access: The Coordinated Assessment will be in the HMIS system and utilized by the Coordinated Access agency within the Region within the Balance of State CoC whether they are an ESG subrecipient or other programs funded by McKinney Vento. Each Region will determine if their Coordinated Access will be a centralized or decentralized system.

Assessment: Each homeless person will be assessed and triaged based on their needs in order to prioritize the most vulnerable and those with the highest barriers for first assistance. This priority would include the chronic homeless population.

Assign: Once assessed the person/family then will be assigned to the right type of housing that best suits their needs whether it is permanent supportive housing, rapid rehousing or VASH voucher and whether it is available in that area or Region.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

IHCDA plans to allocate funding to a maximum of 15 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Activities of the ESG program for line items such as: housing relocation and services (financial and services), rental assistance and administration.

There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately two - six agencies that may apply for the street outreach activity. No more than 60% of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available. The amount of each award could be between $60,000 and $250,000 each.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The State ESG recipient – IHCDA - has a member of the Resource & Funding Committee and the Balance of State CoC Board who has been formerly homeless and currently lives in a permanent home after recently leaving permanent supportive housing. The committee provides guidance to our CoC Programs and their policies and procedures. The State of Indiana recognizes the invaluable perspective of individuals who are currently homeless and formerly homeless in developing an effective person-centered program and system.

The State program strongly encourages subrecipients of the ESG program to incorporate this participation, to the maximum extent practicable, in a policy-making function of both the organization and the respective regional Planning Council on the Homeless. The State ESG program application requires subrecipients to demonstrate how participation and input of people experiencing homelessness is utilized at both an organizational level and within their regional Planning Councils on Homelessness. This will be a threshold item and will require the subrecipient to provide documentation around their policies for verification. This issue is also reviewed during program monitoring visits.

5. Describe performance standards for evaluating ESG.

The performance standards were developed in conjunction with the governing body for the Balance of State CoC Board and the Resource & Funding Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH

Act.

Baseline performance measurements will be reports generated by the HMIS system and mainly from the ESG CAPER reports for the current grant prior year. Two of the standards are specific to the subrecipient's program performance and the remaining two are specific to system outcomes.

ESG subrecipients will be able to set their own goals for the next years on areas such as: discharging persons to permanent housing, increasing employment income and increasing overall income by persons who exit the emergency housing.

Below are goals that IHCDA would like to reach on an annual basis:

ESG RR -rental assistance program subrecipients: At discharge from program, 82 percent of persons assisted will still be permanently housed, and 65 percent will increase their income.

ESG program subrecipients that are Emergency shelters that have activities such as operations, essential services and financial assistance: 50 percent of persons will discharge to permanent housing, and 25 percent will increase their income.

ESG program subrecipients that have outreach component: 50 percent of identified caseload will be permanently housed.

ESG program subrecipients that have outreach component: 50 percent identified caseload will increase their income.

The average length of stay of participants in ESG funded and other CoC programs should decrease by at least 10 percent.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients.

If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to State agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,
a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".
Eligible applicants include CHDOs, non- and for-profit affordable housing developers, and joint venture partnerships.

1. Whether the development demonstrates a need for HTF in order to make a greater

number of units affordable to extremely low and very low households;

2. Whether the development meets State and Federal requirements of all programs

for which the applicant is applying, including the threshold requirements;

3. Successful completion of the Permanent Supportive Housing Institute;

4. If the development ranking is sufficient for it to be awarded RHTC pursuant to the RHTC process as outlined in the current QAP; and,

5. The availability of HTF funds.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".
Application requirements are described in Parts V, VI, and VIII in the HTF Policy, which is part of Appendix A (Methods of Distribution) in the Grantee Unique Appendices.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The Selection Criteria to select eligible recipients is described in Parts V and VI of the HTF Policy, which is part of Appendix A.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".
Eligible developments can be located in any city, town or county located in Indiana. There is no geographic preference to the use of the HTF.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".
Timely Undertaking – moderate priority: As stated under the Threshold Items Section 6.3 (d) of the HTF Policy, the applicant is required to demonstrate their ability to undertake the activities set forth in its application upon receipt of the HTF award, to begin construction within 12 months of receipt of the award, and to complete the development within a 24 month period.

6.3(d): The applicant must demonstrate experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:

Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or

1. Design, construct, or rehabilitate, and market affordable housing for homeownership.
2. That the applicant has the capacity to undertake the activities set forth in its application upon receipt of the HTF award and begin construction within 12 months of receipt of the award and complete the development within a 24-month period.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".
Project-Based Rental Assistance – high priority: As stated under Threshold Items Section 6.3 (c) and 6.3 (e), in order to be eligible for the supportive housing set-aside of the QAP and for HTF funding, the applicant must demonstrate how units will be made affordable to the targeted population of persons experiencing homelessness. All developments are required to identify a source of project-based rental assistance for the supportive housing units, generally through Project-Based Section 8 vouchers or CoC funding. Developments that have not identified an operating subsidy source do not meet threshold and will not be considered for

funding. As stated under Section 7.1 Rents Charged, Applicants may be eligible for 28 point for rent targeting.

6.3(c): The Applicant must identify all subsidy sources. Funding commitments must be provided with the RHTC application. If the funding has not yet been committed, application 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. HTF cannot be committed until all other sources have been committed.

6.3 (e): The Development must serve populations that are extremely low income and experiencing homelessness. The target population served by the development must be the target population that was identified based on community need and relevant data through the Supportive Housing Institute process and align with the goals of the Consolidated Plan. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".
Affordability Period – low priority: As stated under the Threshold Criteria Section 6.3 (a), applicants must meet the minimum 30-year period of affordability to be eligible for funding.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Priority Housing Needs of Indiana – high priority: Through the 2020-2024 Consolidated Plan, the State of Indiana includes extremely low income households and permanent supportive housing/integrated supporting housing as "housing priority needs."

To be eligible for the supportive housing set-aside in the QAP and for HTF, the applicant must further the creation of community-based housing that targets the extremely low income (less than 30% AMI) with intensive service programs that have a direct impact on reducing homelessness through the Housing First model, to meet the State's priority housing needs of serving extremely low income households. Applicants who have not successfully completed the Supportive Housing Institute and/or who do not meet the set-aside criteria as identified in both the QAP and in Sections 2.1 and 6.3 (e) of this Allocation Plan will not be eligible for funding.

In addition, IHCDA may award additional scoring of 140 points under Sections 7.1 Rents Charged; 7.2 Development Characteristics; and 7.3 Sustainable Development to prioritize projects which best serve.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-Federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Extent of Non-Federal Funding – moderate priority: As stated under the Threshold Items Section 6.3 (c), the applicant must demonstrate all subsidy sources. IHCDA may also award up to 14 points for projects that meet the criteria as outlined in Sections 7.2 (o) Tax Credit Per Unit; 7.2 (p) Tax Credit per Bedroom; 7.4 (a) Firm Commitment; and 7.4 (b) Previous Funding in a Local Government.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. **Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. **Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.** Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other Federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

See Part 4.1 Subsidy and Budget Limitations of the HFT Policy for the per unit subsidy limits. A description of how the limits were determined by be found on page 15 of the HTF policy.

8. **Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

All HTF funded projects must meet the property standards outlined in 93.301. The rehabilitation standards are set in a separate appendix.

- Developments must use Uniform Physical Condition Standards (UPCS). A listing of those standards can be found in the Multi-Family Checklist. Beyond the UPCS standards, projects must also comply with IHCDA Rehabilitation Standards (see Exhibit A); and the stricter of the local rehabilitation standards or the Indiana State Building Code.
- The development must meet the accessibility requirements at 24 CFR Part I, which implements Section 504 of the Rehabilitation Act of 1973.
- Covered multi-family units, as defined at 24 CFR 100.201, must meet the design and construction requirements at 24 CFR 100.205, which implements the Federal Fair Housing Act Amendments of 1988.
- Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
- Newly constructed units must meet additional energy efficiency standards for new construction pursuant to section 109 of the Cranston-Gonzalez National Affordable Housing Act.
- Where relevant, the housing must be constructed to mitigate the impacts of potential disaster, in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

9. **Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. **HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

þ The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

N/A

11. **Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The purpose of this Housing Trust Fund (HTF) application is to provide subsidies in the form of grants to selected applicants for the acquisition, rehabilitation and/or new construction of supportive housing for persons with extremely low income (at or below 30% of area median income). For this funding cycle, a portion of the HTF funds will be offered exclusively to Rental Housing Tax Credit developments that (1) apply for funding under the Qualified Allocation Plan (QAP) for the Rental Housing Tax Credit Program

(RHTC) and (2) successfully completed the Indiana Supportive Housing Institute.

Eligible applicants for tax credits and HTF funds must have successfully fulfilled all requirements and demonstrated meaningful and successful participation in 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 that plan to create supportive housing. Tenant outreach, selection, property management and service plans must be approved 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.

12. **Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A; refinancing of existing permanent debt is not eligible under IHCDA's HTF program.

Discussion

For HOPWA:

IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network, posted online, and provided to current HIV/AIDS service providers. The RFQ is available to all agencies who meet the threshold requirements. Many of the programs that apply through the RFQ started off as grassroots agencies years go by starting a non-profit program based upon the growing HIV/AIDS epidemic and the need in their community. There was a growing need of resources that were not readily available for this population. The non-profits utilized their partners in the community to build their board membership and collaborated with local hospitals, clinics, and housing agencies to assist in providing education, testing, supportive services, financial assistance and housing. Nonprofit community organizations that apply are usually mental health centers, HIV/AIDS programs specifically, or local hospital.

The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds:

- Required to be a non-profit organization
- Required to be a current Indiana State Department of Health Care Coordination Site.
- Previous experience providing HOPWA assistance.
- Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region.
- No current outstanding findings with HUD or IHCDA.

By having the threshold that all applicants must be current Indiana State Department of Health Care Coordination Site, we are providing a one stop shop for persons to access level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services and housing if needed. Care Coordination is a specialized form of HIV case management. Its mission is to assist those living with HIV disease with the coordination of a wide variety of health and social services. Case Management services are available statewide. It provides an individualized plan of care that includes medical, psychosocial, financial, and other supportive services as needed. It is offered free of charge to the person. The primary goals of the program are to ensure the continuity of care, to promote self-sufficiency, and to enhance the quality of life for individuals living with HIV. The trained professionals provide assistance such as: access to health insurance, housing programs, emergency funds, medications, utility assistance, mental health and substance abuse programs, HIV testing and prevention programs.

The RFQ will be evaluated through a tool that will verify that each applicant meets the threshold requirements and have financial capacity by meeting accounting and financial standards. It will be verified that each subrecipient are certified to be a care coordination site by requiring they attach the certificate or agreement showing they meet the standard.

APPENDIX A.

METHODS OF DISTRIBUTION AND FUNDING APPLICATIONS

CDBG.

METHOD OF DISTRIBUTION (MOD)

STATE OF INDIANA

STATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM (CFDA: 14-228)

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS FY 2020 PROGRAM DESIGN AND METHOD OF DISTRIBUTION

GENERAL BACKGROUND INFORMATION AND NATIONAL CDBG OBJECTIVES

The State of Indiana, through the Indiana Office of Community and Rural Affairs (OCRA), assumed administrative responsibility for Indiana's Small Cities Community Development Block Grant (CDBG) Program in 1982, under the auspices of the U.S. Department of Housing and Urban Development (HUD). Per 570.485(a) and 24 CFR Part 91, the State must submit a Consolidated Plan to HUD by May 15th of each year following an appropriate citizen participation process according to 24 CFR Part 91.325, which prescribes the State's Consolidated Plan process as well as the proposed method of distribution of CDBG funds for 2017. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2020 is $30,500,000.**

This document applies to all federal Small Cities CDBG funds allocated by HUD to the State of Indiana, through OCRA.

The primary objective of Indiana's Small Cities CDBG Program is to assist in the development and re-development of viable Indiana communities by using CDBG funds to provide a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

Indiana's program will emphasize making Indiana communities a better place in which to reside, work, and recreate. Primary attention will be given to activities, which promote long term community development and create an environment conducive to new or expanded employment opportunities for low- and moderate-income persons.

OCRA will pursue this goal of investing CDBG wisely and all applicable strategic priorities by distributing CDBG funds in a manner, which promotes exploration of all alternative resources (financial and personnel) when making funding decisions respective to applications for CDBG funding.

PROGRAM AMENDMENTS

OCRA reserves the right to transfer up to twenty-five percent (25%) of each fiscal year's available allocation of CDBG funds between the programs described herein to optimize the use and timeliness of distribution and expenditure of CDBG funds, without formal amendment of this Annual Action Plan.

OCRA will provide citizens and general units of local government with reasonable notice and opportunity to comment on any substantial change to be made in the use of CDBG funds for any open grant year. "Substantial Change" shall mean the movement between programs of more than twenty-five percent (25%) of the total allocation for each fiscal year's CDBG allocation. The twenty-five percent (25%) does not include the reallocation of reverted funds. OCRA, in consultation with the Indianapolis office of the HUD, will determine those actions, which may constitute a "substantial change."

OCRA will submit any Consolidated Plan, Annual Action Plan, or other related documents to HUD before it implements any changes embodied in the given document and before posting the final version publicly.

ELIGIBLE ACTIVITIES/FUNDABILITY

All activities, which are eligible for federal CDBG funding under Section 105 of the Federal Housing and Community Development Act of 1974, as amended, (Federal Act), are eligible for funding under the OCRA's CDBG program. However, the OCRA reserves the right to prioritize funding of those eligible activities; the OCRA prefers to expend federal CDBG funds on activities/projects which will produce tangible results for low- and moderate-income persons in Indiana. Funding decisions will be made using criteria and rating systems, which are used for the State's programs and are subject to the availability of funds. It shall be the policy under the state program to give priority to using CDBG funds to pay for actual project costs and not to local administrative costs. **The State of Indiana certifies that not less than seventy-percent (70%) of each fiscal year's CDBG funds will be expended for activities principally benefiting low- and moderate-income persons, as prescribed by 24 CFR 570.484, et. seq.**

ELIGIBLE APPLICANTS

1. All Indiana counties, cities, and incorporated towns which do not receive CDBG entitlement funding directly from HUD or are not located in an "urban county" or other areas eligible for "entitlement" funding from HUD.

2. All Indian tribes meeting the criteria outlined in Section 102 (a)(17) of the Federal Act.

To be eligible for CDBG funding, applicants may not be suspended from participation in any CDBG funded programs or by OCRA due to findings/irregularities with previous CDBG grants, overdue reports, overdue responses to monitoring issues, or overdue closeout documents on current grants, or other reasons that call into an applicants ability to be able to comply with all elements of the State's CDBG program. In addition, applicants may be suspended from participation in the state CDBG-funded projects administered by the Indiana Housing & Community Development Authority (IHCDA).

All applicants must fully expend all CDBG Program Income as defined in 24 CFR 570.489(e) before, or as a part of the proposed CDBG-assisted grant, to be eligible for further CDBG funding from the State.

Other specific eligibility criteria is outlined in the **General Selection Criteria** provided herein.

FY 2020 FUND DISTRIBUTION

Sources of Funds:

FY 2020 CDBG Allocation	**$30,500,000**
CDBG Program Income	$0
Total:	**$30,500,000**

Uses of Funds:

1.	Housing Programs (IHCDA)	$ 3,000,000
2.	Stellar Regions Program	$ 9,000,000
3.	Blight Clearance Program	$ 500,000
4.	Main Street Revitalization Program	$ 1,000,000
5.	Public Facilities Program	$ 1,000,000
6.	Water Improvements Program	$12,000,000
7.	Needs Responsive Fund	$ 2,000,000
8.	Urgent Need Fund	$ 0
9.	Planning Fund	$ 1,200,000
10.	Technical Assistance	$ 200,000
11.	Administration	$ 600,000
	Total:	**$30,500,000**

The State of Indiana via the Office of Community and Rural Affairs (OCRA) does not project receipt of any CDBG program income for the period covered by this Annual Action Plan. In the event the OCRA receives CDBG Program Income, such funds will be placed in the Blight Clearance Program (BCP) to make additional grants under that program. Reversions of other years' funding will be allocated based on current needs as determined by OCRA. OCRA will allocate and expend all CDBG Program Income funds received before drawing additional CDBG funds from the US Treasury. However, the following exceptions shall apply:

1. This prior-use policy shall not apply to housing-related grants made to applicants by the Indiana Housing & Community Development Authority (IHCDA), a separate agency, using CDBG funds allocated to the IHCDA by the OCRA.

2. Program income generated by CDBG grants awarded by the OCRA using CDBG funds must be returned to the OCRA if such amounts are equal to or greater than $35,000 per calendar year according to 24 CFR 570.489.

All obligations of CDBG program income by grantee require prior approval by the OCRA. This includes the use of program income as matching funds for CDBG-funded grants from the IHCDA. Applicable parties should contact the CDBG Program Director for guidance on the use of program income before the obligation of such funds.

Local Governments that have been inactive in using their program income are required to return their program income to OCRA. Local governments that have been approved to use their program income to fund at least one project in the previous twelve (12) months will be considered active.

Furthermore, US Department of Treasury regulations require that CDBG program income cash on hand balances be expended on any active CDBG grant being administered by a grantee before additional federal CDBG funds can be requested from the OCRA. These US Treasury regulations apply to projects funded both by IHCDA and OCRA. Eligible applicants with CDBG program income should strive to close out all active grant projects presently being administered before seeking additional CDBG assistance from the OCRA or IHCDA.

METHOD OF DISTRIBUTION

The choice of activities on which the State's CDBG funds are expended has been determined through a robust review that engaged a variety of stakeholders and considered comments from the public. The eligible activities enumerated in the following Method of Distribution are eligible activities as provided for under Section 105(a) of the Federal Act, as amended.

All projects/activities funded by the OCRA will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will be distributed according to the following Method of Distribution (program descriptions):

A. Housing Program: $3,000,000

OCRA will partner with the Indiana Housing & Community Development Authority (IHCDA) to administer funds allocated to the Housing Program. IHCDA will act as the administrative agent on behalf of the OCRA. Please refer to the Indiana Housing & Community Development Authority's portion of this Action Plan for the method of distribution of the Housing Program funds. A set aside of $500,000 for use by the Stellar designee, outlined below, is included in this allocation. Over the next program year, OCRA and IHCDA will analyze the impact of the Housing Program and may make adjustments in future program years to ensure these funds are used in a manner that maximizes impact.

B. Stellar Regions Program: $ 9,000,000

OCRA will allocate $9,000,000 of its FY 2020 CDBG funds for the Stellar Region Designee. Funds will be allocated to the designee in the Action Plan for the fiscal year an application is anticipated from each active designee. Finalist Regions of the program will split $1,000,000 of this allocation to complete one of the projects outlined in their Regional Development Plan.

Indiana's Stellar Regions Program is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Housing and Community Development Authority (IHCDA), Department of Natural Resources (DNR), Indiana Office of Tourism Development (IOTD), Indiana Arts Commission (IAC), Department of Workforce Development (DWD), Indiana Bond Bank (IBB), Indiana State Department of Health (ISDH), and the Indiana Department of Transportation (INDOT). The Stellar Regions Program seeks to engage one (1) region to achieve a three-year revitalization strategy that will leverage unified state investment and funding from the partnering agencies to complete projects comprehensively. In the revitalization strategy, communities will identify areas of interest and types of projects, produce a schedule to complete projects, produce cost estimates, identify local match amounts, sources, and additional funding resources, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the region. From this revitalization strategy, regions will produce a three-year regional development plan which will identify capital and quality of life projects to be completed during that period.

Evaluation and selection of the final regions to the Stellar Regions Program will be based on:

- Summary of the Regional Development Plan
- Identify at least one project to be completed in each of the three (3) program years. The total number of projects is solely limited to the community's ability to successfully complete the projects;
- Identify/document project cost estimates, local match amounts, and sources, and funding resources.
- Completion of outlined requirements of the Stellar Designation.
- Document the level of need and significance of each project in overall community revitalization efforts.
- Capacity of the applicant to administer the funds;
- The long-term viability of the strategic community investment plan;

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

All projects funded by IHCDA with CDBG funds will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations. All projects funded by IHCDA with HOME, ESG and/or HOPWA funds will meet the specific requirements set forth by those programs.

C. Blight Clearance Program: $500,000

OCRA will allocate $500,000 of its FY 2020 CDBG funds for the Blight Clearance Program (BCP). OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D on a monthly basis. The BCP shall have a maximum grant amount of $500,000. The amount of CDBG funds granted will be limited to $5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

Applicants can be awarded for multiple applications until the total of those applications reaches the $500,000 maximum grant amount. At that time, the applicant becomes ineligible for BCP for a five (5) year period. OCRA will no assign penalty points to BCP applications.

D. Main Street Revitalization Program: $1,000,000

OCRA will allocate $1,000,000 of its FY 2020 CDBG funds for the Main Street Revitalization Program (MSRP).

OCRA will award MSRP grants to eligible applicants to assist Indiana communities with streetscape and façade activities intended to revitalize their downtown area. Each applicant must meet the following prerequisites:

1) Have a designated Indiana Main Street Organization that:
    a. is nationally accredited, or
    b. is a traditional Indiana Main Street that is at least three (3) years old;
2) The Main Street Organization is in good standing and has met all the reporting requirements;
3) The Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past calendar year;
4) The Main Street organization is functioning within the Main Street 4 Point Approach of Organization, Design, Economic Vitality, and Promotion;
5) The Main Street organization has current Work Plans for each of its Committees that have been submitted to Indiana Main Street;
6) The Community has completed a downtown revitalization plan within the past five (5) years that meets OCRA's Minimum Plan Requirements. If a community has an alternative plan that meets OCRA's Minimum Plan Requirements for a downtown revitalization plan, they can use that alternative plan with approval from the CDBG Program Director.
7) The Indiana Main Street Organization has been involved in the project development process for the application and there is a plan for their continued involvement if awarded.

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The MSRP shall have a maximum grant amount of $600,000. The amount of CDBG funds granted will be limited to $5,000 cost per project beneficiary. Matching funds of at least 30% of the total project cost are required for all this program.

To encourage communities and Main Street organizations to achieve National Main Street Accreditation, OCRA will set aside $600,000 of this allocation for projects that come from communities that have nationally-accredited Main Street Organizations.

Grantees must ensure that local Indiana Main Street Organization remains in good standing with OCRA until the completion of the project. If the local Indiana Main Street Organization falls out of good standing then deobligation or repayments of CDBG funds is possible.

E. Public Facilities Program: $1,000,000

OCRA will allocate $1,000,000 of its FY 2020 CDBG funds for the Public Facilities Program (PFP).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The PFP shall have a maximum grant amount of $400,000. The amount of CDBG funds granted will be limited to $5,000 cost per project beneficiary. Matching funds of at least 20% of the total project cost are required for all this program.

F. Water Improvements Program: $ 12,000,000

OCRA will allocate $12,000,000 of its FY 20202 CDBG funds for the Water Improvements Program (WIP).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The WIP shall have a maximum grant amounts based on present combined user rates (water, wastewater, and stormwater) as shown in the matrix below. The amount of CDBG funds granted will be limited to $5,000 cost per project beneficiary. Matching funds of at least 20% of the total project cost are required for all this program.

Maximum Grant Amounts	Rates for 4,000 gallons		
	User Rates (Over $70)	**User Rates ($40 to $70)**	**User Rates (Under $40)**
Projects over $1 million in total project cost	$700,000	$600,000	$550,000
Projects under $1 million in total project cost	$600,000	$550,000	$500,000

G. Needs Responsive Fund: $2,000,000

OCRA will allocate $2,000,000 of its FY 2020 CDBG Funds to the Needs Responsive Fund. The purpose of this fund is to allow OCRA flexibility to respond to the needs of eligible communities. Specifically, this program will allow OCRA to fund projects that are eligible activities under CDBG, but are not covered by other programs.

OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D throughout the program year. The Needs Responsive Fund shall have a maximum grant amount of $1,000,000. The amount of CDBG funds granted will be limited to $5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program. Any funds remaining at the end of the program year will be automatically reallocated to the Water Improvements Program (WIP).

H. Urgent Need Fund: $0

The Urgent Need Fund will be available to eligible applicants on a continuing basis. These activities must be eligible for funding under the “urgent need” national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

The Urgent Need Fund will be available to eligible applicants to meet an imminent threat to the health and safety of local populations. The grants may be funded as made available through the Public Facilities Program or reversions when not budgeted from the annual allocation. Special selection factors include need, proof of recent threat of a catastrophic nature, statement of declared emergency and inability to fund through other means. Projects will be developed with the assistance of the Office of Community and Rural Affairs as a particular need arises. To be eligible, these projects and their activities must meet the "urgent need” national objective of Section 104(b)(3) of the Federal Act. Generally, projects funded are those, which need immediate attention and are, therefore, inappropriate for consideration under OCRA’s regular programs. The types of projects, which typically receive funding, are municipal water systems (where the supply of potable water has been threatened by severe weather conditions) and assistance with demolition or cleanup after a major fire, flood, or other natural disaster. Although all projects will be required to meet the "urgent need" national objective, the Office of Community and Rural Affairs may choose to actually fund the project under one of the other two national objectives, if it deems it expedient to do so. Applicants must adequately document that other financial resources are not available to meet such needs pursuant to Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of HUD regulations.

Only that portion of a project, which addresses an immediate need, should be addressed. This is particularly true of municipal water or sewer system projects, which tend to need major reinvestment in existing plants or facilities, in addition to the correction of the immediate need. The amount of grant award is determined by the individual circumstances surrounding the request for emergency funds. A community may be required to provide a match through cash, debt or provision of employee labor.

The eligibility of any project is at the full discretion of the Office of Community and Rural Affairs.

I. Planning Grants: $ 1,200,000

OCRA will allocate $1,200,000 of its FY 2020 CDBG funds for planning-only activities. ORCA will make planning-only grants to units of local government to carry out planning activities eligible under 24 CFR 570.205 of applicable HUD regulations. OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D on a monthly basis. The Planning Grant program shall have a maximum grant amount of $60,000. The amount of CDBG funds granted will be limited to $5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

A list of eligible plans and their specific maximum grant amounts is available on OCRA's CDBG website. The Office reserves the right to prefer one type of plan over other types of plans when making awards.

The specific threshold criteria and basis for scoring for Planning Grant are provided in Attachment C and D hereto. CDBG-funded planning costs will exclude final engineering and design costs related to specific activities which are eligible activities/costs under 24 CFR 570.201-204.

J. Technical Assistance Set-aside: $200,000

Pursuant to the federal Housing and Community Development Act (Federal Act), specifically Section 106(d)(5), the State is authorized to set aside up to one percent (1%) of its total allocation for technical assistance activities. The amount set aside for such Technical Assistance in the State's FY 2019 Action Plan is $200,000, which constitutes less than one-percent (1%) of the State's FY 2020 CDBG allocation of $30,500,000. The State of Indiana reserves the right to set aside up to one percent (1%) of open prior-year funding amounts for the costs of providing technical assistance on an as-needed basis.

The amount set aside for the Technical Assistance Program will not be considered a planning cost as defined under Section 105(a)(12) of the Federal Act or an administrative cost as defined under Section 105(a)(13) of the Federal Act. Accordingly, such amounts set aside for Technical Assistance will not require matching funds by the State of Indiana. The Department reserves the right to transfer a portion or all of the funding set aside for Technical Assistance to another program hereunder as deemed appropriate by the Office of Community and Rural Affairs, in accordance with the "Program Amendments" provisions of this document.

The Technical Assistance Program is designed to provide, through direct Office of Community and Rural Affairs staff resources or by contract, training and technical assistance to units of general local government, nonprofit and for-profit entities relative to community and economic development initiatives, activities and associated project management requirements. The Technical Assistance Program will also be used by the Office to conduct pilots of new programs or adjustments to current programs.

1. **Distribution of the Technical Assistance Program Set-aside:** Pursuant to HUD regulations and policy memoranda, the Office of Community and Rural Affairs may use alternative methodologies for delivering technical assistance to units of local government and nonprofits to carry out eligible activities, to include:

a. Provide the technical assistance directly with Office of Community and Rural Affairs or other State staff;
b. Hire a contractor to provide assistance;
c. Use sub-recipients such as Regional Planning Organizations as providers or securers of the assistance;
d. Directly allocate the funds to non-profits and units of general local governments to secure/contract for technical assistance.
e. Pay for tuition, training, and/or travel fees for specific trainees from units of general local governments and nonprofits;
f. Transfer funds to another state agency for the provision of technical assistance; and,
g. Contracts with state-funded institutions of higher education to provide the assistance.

2. **Ineligible Uses of the Technical Assistance Program Set-aside:** The 1% set-aside may not be used by the Office of Community and Rural Affairs for the following activities:

a. Local administrative expenses not related to community development;
b. Any activity that cannot be documented as meeting a technical assistance need;
c. General administrative activities of the State not relating to technical assistance, such as monitoring state grantees, rating and ranking State applications for CDBG assistance, and drawing funds from the Office of Community and Rural Affairs; or,
d. Activities that are meant to train State staff to perform state administrative functions, rather than to train units of general local governments and non-profits.

K. Administrative Funds Set-aside: $600,000

The State (Office of Community and Rural Affairs) will set aside up to $600,000 of its FY 2019 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount ($600,000) constitutes less than two-percent (2%) of the State's CDBG allocation ($30,500,000). The amount of $500,000 is subject to the $1-for-$1 matching requirement of HUD regulations. A $100,000 is not subject to state match per HUD regulations. These funds will be used by the Office of Community and Rural Affairs for expenses associated with administering its State CDBG Program, including direct personal services and fringe benefits of applicable Office of Community and Rural Affairs staff, as well as direct and indirect expenses incurred in the proper administration of the state's program and monitoring activities respective to CDBG grants awarded to units of local government (i.e. telephone, travel, services contractual, etc.). These administrative funds will also be used to pay for contractors hired to assist the Office of Community and Rural Affairs in its consolidated planning activities.

PRIOR YEARS' METHODS OF DISTRIBUTION

This Annual Action Plan and statement of Method of Distribution is intended to amend all prior Consolidated and Action Plans for grant years where funds are still available to reflect the new program designs. The Methods of Distribution described in this document will be in effect commencing on July 1, 2020, and ending June 30, 2010, unless subsequently amended, for all FY 2020 CDBG funds as well as remaining residual balances of previous years' funding allocations, as may be amended from time to time subject to the provisions governing "Program Amendments" herein.

In the case that prior years' funds should become available, they will be placed in any of the currently open programs and become subject to the requirements and allowances set forth in this plan. Non-expended funds, which revert from the financial settlement of projects funded from other programs, will be placed in any open program for use in that ongoing program.

APPLICATION PROCESSES

Planning Grant applications are accepted continuously. Eligible units of local governments should first contact their regional Community Liaison to discuss their interest in a planning grant. Then an initial application can be submitted for scoring. Applications received by Midnight on the 15th of each month will be scored by the end of the month. Applications received after midnight will be scored by the end of the following month. Note planning grant applications are not considered fully submitted until a Public Hearing is completed and all FEEPs materials are submitted. If an application meets the minimum threshold and scoring criteria it will be regarded as fundable but will not be considered awarded until the application is fully submitted.

Blight Clearance Program (BCP) applications will also be accepted continuously with those submitted by Midnight on the 15th of each month being scored by the end of the month. Unlike the Planning Grant applications, BCP applications go through a two-state process that mimics the process used for grant programs done via rounds. Specifics on that process can be found below.

Stellar Regions Program is a single competitive application process over the course of a calendar year. Interested applicants submit a Letter of Intent from which up to six (6) finalists are selected by the partner organizations. Finalists take part in numerous capacity-building, teamwork, and planning activities throughout the year as they build their Regional Development Plan (RDP). Each finalist must must an RDP and present before the partner organizations. The partner organizations the Designee based on consensus.

The application process for the Public Facilities Program (PFP), Stormwater Improvements Program (SIP), the Main Street Revitalization Program (MSRP), and the Water Improvements Program (WIP) will be a two-stage competitive application process held twice each calendar year with a third-round possible.

For grant programs with a two-stage process, eligible applicants will first submit an abbreviated proposal. After submitting a proposal, eligible projects under the Federal Act will be invited to submit a full application. For each program, the full application will be reviewed and evaluated. OCRA, as applicable, will provide technical assistance to the communities in the development of full applications and require an in-person site visit with the community prior to application.

An eligible applicant may submit only one application at a time. OCRA reserves the right to deny applications lacking credible readiness to proceed.

OTHER REQUIREMENTS

While administrative responsibility for the Small Cities CDBG program has been assumed by the State of Indiana, the State is still bound by the statutory requirements of the applicable legislation passed by Congress, as well as federal regulations promulgated by the U. S. Department of Housing and Urban Development (HUD) respective to the State's CDBG program as codified under Title 24 of the Code of the Federal Register, and with consideration to non-regulatory guidance from HUD. HUD has passed on these responsibilities and requirements to the State and the State is required to provide adequate evidence to HUD that it is carrying out its legal responsibilities under these statutes.

As a result of the Federal Act, applicants who receive funds through OCRA's selection process will be required to maintain a plan for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities. Applicants are required to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance under this program to acquire or substantially rehabilitate property. The State has adopted standards for determining reasonable relocation benefits in accordance with HUD regulations.

CDBG "Program Income" may be generated as a result of grant implementation. The State of Indiana may enter into an agreement with the grantee in which program income is retained by the grantee for eligible activities. Federal guidelines require that program income be spent prior to requesting additional draw downs. Expenditure of such funds requires prior approval from the Office of Community and Rural Affairs (OCRA). The State (Office of Community and Rural Affairs) will follow HUD regulations set forth under 24 CFR 570.489(e) respective to the definition and expenditure of CDBG Program Income.

All statutory requirements will become the responsibility of the recipient as part of the terms and conditions of grant award. Assurances relative to specific statutory requirements will be required as part of the application package and funding agreement. Grant recipients will be required to secure and retain certain information, provide reports and document actions as a condition to receiving funds from the program. Grant management techniques and program requirements are explained in the OCRA's CDBG Handbook, which is posted on the Office's website.

Revisions to the Federal Act have mandated additional citizen participation requirements for the State and its grantees. The State has adopted a written Citizen Participation Plan, which is available for interested citizens to review. Applicants must certify to the State that they are following a detailed Citizen Participation Plan which meets Title I requirements. Technical assistance will be provided by the Office of Community and Rural Affairs to assist program applicants in meeting citizen participation requirements.

The State has required each applicant for CDBG funds to certify that it has identified its housing and community development needs, including those of low and moderate income persons and the activities to be undertaken to meet those needs.

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (OCRA)

The Indiana Office of Community and Rural Affairs intends to provide the maximum technical assistance possible for all of the programs to be funded from the CDBG program. Lieutenant Governor heads OCRA. Principal responsibility for the CDBG program is vested in the Executive Director of OCRA. OCRA also has the responsibility of administering compliance activities respective to CDBG grants awarded to units of local government through a partnership with the Grant Services Division of the Lieutenant Governor's business office.

Primary responsibility for providing "outreach" and technical assistance for the Stellar Regions Program, Main Street Revitalization Fund, Water Improvements Program, Public Facilities Program, and Planning Grants process resides with the OCRA. Primary responsibility for providing "outreach" and technical assistance for the Housing award process resides with the Indiana Housing & Community Development

Authority who will act as the administrative agent on behalf of the OCRA.

The LG's Business Office will provide internal fiscal support services for program activities. The OCRA has the responsibility for the development of the Consolidated Plan and the CAPER, CDBG program management, compliance and financial monitoring of all CDBG programs. The Indiana State Board of Accounts pursuant to 2 CFR 200 will conduct audits. Potential applicants should contact the OCRA with any questions or inquiries they may have concerning these or any other programs.

Information regarding the past use of CDBG funds is available at the:

Indiana Office of Community and Rural Affairs
CDBG Program Director
One North Capitol, Suite 600
Indianapolis, Indiana 46204-2288
Telephone: 1-800-824-2476
FAX: (317) 233-6503

ATTACHMENT A

DEFINITIONS

Low- and Moderate-Income - is defined as 80% of the median family income (adjusted by size) for each county. For a county applicant, this is defined as 80% of the median income for the state. The income limits shall be as defined by the U. S. Department of Housing and Urban Development Section 8 Income Guidelines for "low-income families." Certain persons are considered to be "presumptively" low and moderate-income persons as set forth under 24 CFR 570.208(a)(2); inquiries as to such presumptive categories should be directed to the CDBG Program Director.

Matching funds - local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds required for CDBG projects based on each program. This percentage is computed by adding the proposed grant amount and the local matching amount, and dividing the local matching funds amount by the total sum of the two amounts. The definition of match includes a maximum of 5% pre-approved and validated in-kind contributions. The balance of the match requirement must be in the form of either cash or debt. Any in-kind over and above the specified 5% may be designated as local effort. Other funds provided to applicants by OCRA are not eligible for use as matching funds.

Proposal - A document submitted by a community which briefly outlines the proposed project, the principal parties, and the project budget and how the proposed project will meet a goal of the Federal Act. OCRA encourages communities to submit a proposal that is basically a draft of the application.

Reversions - Funds placed under contract with a community but not expended for the granted purpose because expenses were less than anticipated and/or the project was amended or canceled and such funds were returned to OCRA upon financial settlement of the project.

Slums or Blight - an area/parcel which: (1) meets a definition of a slum, blighted, deteriorated, or deteriorating area under state or local law (Title 36-7-1-3 of Indiana Code); and (2) meets the requirements for "area basis" slum or blighted conditions pursuant to 24 CFR 570.208(b)(1) and 24 CFR 570.483(c)(1), or "spot basis" blighted conditions pursuant to 24 CFR 570.208(b)(2) and 24 CFR 570.483(c)(2). More Specifically, OCRA defines blight as:

> An area possessing a substantial amount of buildings (public or privately owned), and or public improvements which demonstrate:
>
> 1. General deterioration, seen through:
>   a. Neglect or lack of maintenance on the property; or
>   b. Facilities of plumbing, heating, sewage, and/or others that have been disconnected, destroyed, removed, or rendered inadequate; or
>   c. Impaired structural condition, making the building(s) unsafe to a person or property (IC 36-7-9-4); or
>   d. Any combination of these factors
> 2. Significant noncompliance with current building code, safety code, health code, fire code, state statute, or local ordinance, as seen by:
>   a. Excessive vacancy and/or abandonment of properties; or
>   b. Environmental hazards; or
>   c. Fire hazards; or
>   d. Lack of ventilation, light, or sanitary facilities; or

e. any combination of these factors

3. Building(s) are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, increased criminal activity compared to other areas, and detrimental to public health, safety, morals, or welfare through any of the following conditions:

a. Age; or

b. Dilapidation; or

c. Overcrowding of structures and/or high density population; or

d. Excessive land coverage; or

e. Impairment of overall economic vitality of community through declines in property value, substantially lower property value than surrounding community areas; or

f. any combination of these factors

Urgent Need - is defined as a serious and immediate threat to health and welfare of the community. The Chief Elected Official must certify that an emergency condition exists and requires immediate resolution and that alternative sources of financing are not available. An application for CDBG funding under the "urgent need" CDBG national objective must adhere to all requirements for same set forth under 24 CFR 570.208(c) and 24 CFR 570.483(d).

ATTACHMENT B

DISPLACEMENT PLAN

1. The State shall fund only those applications, which present projects and activities, which will result in the displacement of as few persons or businesses as necessary to meet the goals and objectives of the state and local CDBG-assisted program.

2. The State will use this criterion as one of the guidelines for project selection and funding.

3. The State will require all funded communities to certify that the funded project is minimizing displacement.

4. The State will require all funded communities to maintain a local plan for minimizing displacement of persons or businesses as a result of CDBG funded activities, pursuant to the federal Uniform Relocation and Acquisitions Policies Act of 1970, as amended.

5. The State will require that all CDBG funded communities provide assistance to all persons displaced as a result of CDBG funded activities.

6. The State will require each funded community to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the CDBG funded program.

ATTACHMENT C

GENERAL SELECTION CRITERIA

The Office of Community and Rural Affairs (OCRA) will consider the following general criteria when evaluating a project proposal. Although projects will be reviewed for this information at the proposal stage, no project will be eliminated from consideration if the criteria are not met. Instead, the community will be alerted to the problem(s) identified. Communities must have corrected any identified deficiencies by the time of application submission for that project to be considered for funding.

A. General Criteria (all programs - see exception for program income and housing projects through the IHCDA in 7 below):

1. The applicant must be a legally constituted general purpose unit of local government and eligible to apply for the state program.

2. The applicant must possess the legal capacity to carry out the proposed program.

3. If the applicant has previously received funds under CDBG, they must have successfully carried out the program. An applicant must not have any overdue closeout reports, State Board of Accounts audit findings or unresolved OCRA/IHCDA monitoring findings (where the community is responsible for resolution.) Any determination of “overdue” is solely at the discretion of the Indiana Office of Community and Rural Affairs.

4. An applicant must not have any overdue CDBG semi-annual Grantee Performance Reports, subrecipient reports or other reporting requirements of the OCRA/IHCDA. Any determination of “overdue” is solely at the discretion of the Indiana Office of Community and Rural Affairs.

5. The applicant must clearly show the manner in which the proposed project will meet one of the three national CDBG objectives and meet the criteria set forth under 24 CFR 570.483.

6. The applicant must show that the proposed project is an eligible activity under the Act.

7. The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Office of Community and Rural Affairs; EXCEPTION – these general criteria will not apply to applications made directly to the Indiana Housing & Community Development Authority (IHCDA) for CDBG-funded housing projects.

8. To be eligible to apply at the time of an application submission, an applicant must not have any of the following:

    a. Overdue grant reports, sub-recipient reports or project closeout documents; or

    b. More than three (3) CDBG grants that are open or pending award (Indiana cities and incorporated towns), or four (4) CDBG grants that are open or pending award (Indiana counties) from OCRA;

c. For those applicants with an open MSRP, WDP, WDW, PFP, SIP or BCP a "Notice of Release of Funds and Authorization to Incur Costs" must have been issued for the construction activities under the open MSRP, WDP, WDW, PFP, SIP or BCP contract, and a contract for construction of the principal (largest funding amount) construction line item (activity) must have been executed prior to the deadline established by OCRA for receipt of applications for funding.

d. For those applicants who have open Planning Fund grants, the community must have final plan approved by the Office of Community and Rural Affairs prior to submission of MSRP, SIP, WDW, PFP, BCP or WDP application for the project.

9. To be eligible to apply at the time of application submission, an applicant must not have:

   a. Any unresolved complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively "Commissions")[1]

      i. A complaint during the investigation stage can be resolved for the purposes of this application if the applying party provides the response it submitted to the Commissions and provides verification that it is cooperating in the investigation.

      ii. To resolve a complaint for the purposes of this application that has received a finding of Probable or Reasonable Cause, the complaint must be closed in a manner that includes the applying party taking a fair housing training and implementing a relevant policy to prevent future possible discriminatory incidents. The applying party need not take the training or implement the policy prior to the application being submitted if the applying party can provide proof that it intends to complete the training and implement the policy within a reasonable period of time. If a complaint has been closed and the closure did not include training or the implementation of a policy, then the applying party can elect to contact the Commissions to voluntarily complete training and have Commissions assist in the implementation of a relevant policy.

      iii. To resolve a complaint that merits litigation, the applying party must submit evidence that the complaint cannot be settled (i.e. settlement ask too high etc.) and evidence that training and a policy are not the impediments to settlement. Possible evidence can include offer letters, statements of disputed legal questions, statements of disputed facts, statements on behalf of the Commissions that they are unwilling to settle the case, or any similar document that illustrates the case is not ripe for settlement.

   b. An unresolved pattern of complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction

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[1] If agreeable, it would be the Indiana Civil Rights Commissions obligation to provide timely responses as well as to provide data retrieved from other relevant local human relations commissions.

(collectively "Commissions")

i. A pattern for purposes of this application is defined as any more than an average of two complaints over a period of four years, regardless of outcome.

ii. To resolve a pattern of complaints for purposes of this application, the applying party must partner with the Commissions or other equivalent housing organization to fully review the applying party's current policies for best practices as well as for compliance with the Indiana Fair Housing Act and Indiana Civil Rights Law. Additionally, the applying party must show proof that the applying party intends to undergo annual fair housing training for all of its employees that regularly interact with tenants and biannual training for all supervising employees for at least one year.

10. The cost/beneficiary ratio for all CDBG funds will be maintained at $5,000. Housing related projects are to be submitted directly to the Indiana Housing & Community Development Authority (IHCDA) under its programs.

11. Required leveraging based on program (as measured against the CDBG project, see definitions) must be proposed. The Indiana Office of Community and Rural Affairs may rule on the suitability and eligibility of such leveraging.

12. The applicant may only submit one proposal or application per round per program. Counties may submit either for their own project or an "on-behalf-of" application for projects of other eligible applicants within the county. However, no application will be invited from an applicant where the purpose is clearly to circumvent the "one application per round" requirement for other eligible applicants.

13. The application must be complete and submitted by the announced deadline.

C. Housing Programs: Refer to Method of Distribution for Indiana Housing & Community Development Authority within this FY 2020 Action Plan

ATTACHMENT D

GRANT EVALUATION CRITERIA
700 POINTS TOTAL

Applications must achieve a minimum score of 450 points to be eligible for award.

NATIONAL OBJECTIVE SCORE (100 POINTS):
Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

1. National Objective = Benefit to Low- and Moderate-Income Persons: 100 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

National Objective Score = % Low/Mod Beneficiaries X 1

2. National Objective = Prevention or Elimination of Slums or Blight: 100 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

National Objective Score = (Total of the points received in each category below)

- Applicant has a Slum/Blight Resolution for project area (50 pts.)
- The project site is a brownfield* (25 pts.)
- The building or district is listed on or is eligible for listing on the Indiana or National Register of Historic Places (10 pts.)
- The building is on the Historic Landmarks Foundation of Indiana's "10 Most Endangered List" (15 pts.)

* The State of Indiana defines a brownfield as an industrial or commercial property that is abandoned, inactive, or underutilized, on which expansion or redevelopment is complicated due to actual or perceived environmental contamination. Points are awarded for sites listed on the IFA Brownfield registry which indicates prior involvement of the Indiana Brownfield Program or a letter is provided from the IFA Brownfield program that states the site is a brownfield.

COMMUNITY DISTRESS FACTORS (175 POINTS):
Various factors are used to determine the distress of a community. IOCRA has partnered with Stats Indiana, an Indiana University entity to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant
Median Home Value
Unemployment Rate
Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

<u>LOCAL MATCH CONTRIBUTION (75 POINTS):</u>
A maximum of 75 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 75 points or 75% match, i.e., a project with 75% match or greater will receive 75 points. Below 75% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of $25,000. Use of in-kind donations as eligible match requires approval from the CDBG Program Director <u>approximately 2 weeks prior to application submission (date of deadline will be announced each round)</u>.

<u>PROJECT DESIGN FACTORS (300 POINTS):</u>
A maximum of 300 points awarded according to the evaluation in three areas:

Project Description – Is the project clearly defined as to determine eligibility? – 50 points
Project Need - Is the community need for this project documented and compelling? – 125 points
Financial Impact - Why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA Scoring Committee when evaluating the projects**.** Scoring questions for these categories are defined for each round and are provided to applicants that submit a proposal at the site visit. The questions are subject to change each round. **<u>Applicants should refer to the application packet, scoring guide and other resources to address all questions present</u>.** Applicants are encouraged work with their OCRA Community Liaison to identify ways to increase their project's competitiveness in these areas and of the application as a whole.

<u>PROGRAM SPECIFIC POINTS (50 POINTS):</u>
Blight Clearance Program (BCP) 2.0

- **IFA Registry** - A maximum of 25 points awarded for sites registered with the IFA Brownfield program which indicates prior involvement of the Indiana Brownfield Program or a letter is provided from the IFA Brownfield program that states the site is a brownfield.
- **Site Development Plan** - A maximum of 25 points will be awarded for projects that have a site development plan for the future use of the Brownfield site.

Planning Grants (PL)

- **Community Input and Collaboration** – A maximum of 25 points are awarded for communities that document public input and collaboration efforts beyond letters of support and the two required Public Hearings.
- **Connection to Previous Planning Effort** – A maximum of 15 points are awarded for documentation that the plan that is being applied for connects to a pervious planning effort done by the community.
- **Implementation of Previous Plan or First-time Plans** – A maximum of 10 points are awarded for communities that document the successful implementation of a pervious planning grant plan or for communities that have never receive an planning grant before.

Public Facilities Program (PFP)

- **Philanthropic Contributions** - Points are assigned based on philanthropic contribution as a percentage of total project costs.

- Less than 1% - 0 points
- 1-1.99% - 10 points
- 2-2.99% - 15 points
- 3-3.99% - 20 points
- 4%+ - 25 points

- **Project Sustainability** - A maximum of 25 points for the establishment of a (or documentation of existing) permanent Community Facility Fund, to be used for ongoing operation and maintenance activities of the project.
  - 0 points – Less than $3,000
  - 10 points - $3,000-$5,000
  - 25 points – More than $5,000

Main Street Revitalization Program (MSRP)

- Community is designated as a Nationally Accredited Main Street Organization (10 points)
- The district is listed on the Indiana or National Register of Historic Places (10 points)
- Documentation of active and continued involvement in the application and project by the Main Street organization (10 points)
- The Main Street Organization has a long-term Strategic Plan. (Maximum of 10 points)
- The Main Street Organization has a sustainability/fundraising plan in place. (Maximum of 10 points)

Water Improvement Program (WIP)

- **Financial Gap** – A maximum of 10 points per each $1 in financial gap. The result of the OCRA Gap Calculation Worksheet is the amount that your community would have to increase the monthly utility rate charged to each customer without grant assistance. This is the "gap," which is the amount by which grant funds will reduce or "buy down" your utility rates. This amount added to the actual rates anticipated with OCRA grant funds will give you the rates needed "without OCRA grant funds". (Maximum 10 points)
-
- **Project Sustainability** - A maximum of 25 points for the establishment of, or documentation of existing wastewater or drinking water utility rate for the ongoing operation and maintenance activities of the wastewater or drinking water system.

  0 points – Less than $40 combined user rates
  10 points – $40-$70 combined user rates
  25 points – More than $70 combined user rates

BONUS POINTS POLICY:

It is OCRA's policy to encourage and support regional coordination amongst rural communities. As such a grant application that is included in a regional plan will be awarded 25 bonus points. To receive these bonus points requires verification of the regional plan from the CDBG Program Director approximately 2 weeks prior to application submission (deadline will be announced each round).

Bonus Points for Regional Planning – 25 points

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 5 years since previous funding – -50 points

Example: Community submits and receives a Wastewater Drinking Water (WDW) grant in 2015. When applying for a WDW grant in 2020, they would be subject to a point reduction of 50pts. In 2021 they would have no point reduction.

ATTACHMENT E

CITIZEN PARTICIPATION PLAN
INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (STATE)

The State of Indiana, Office of Community and Rural Affairs, pursuant to 24 CFR 91.115, 24 CFR 570.431 and 24 CFR 570.485(a) wishes to encourage maximum feasible opportunities for citizens and units of general local government to provide input and comments as to its Methods of Distribution set forth in the Office of Community and Rural Affairs' annual Consolidated Plan for CDBG funds submitted to HUD as well as the Office of Community and Rural Affairs' overall administration of the State's Small Cities Community Development Block Grant (CDBG) Program. In this regard, the Office of Community and Rural Affairs will perform the following:

1. Require each unit of general local government to comply with citizen participation requirements for such governmental units as specified under 24 CFR 570.486(a), to include the requirements for accessibility to information/records and to furnish citizens with information as to proposed CDBG funding assistance as set forth under 24 CFR 570.486(a)(3), provide technical assistance to representatives of low-and-moderate income groups, conduct a minimum of two (2) public hearings on proposed projects to be assisted by CDBG funding, such hearings being accessible to handicapped persons, provide citizens with reasonable advance notice and the opportunity to comment on proposed projects as set forth in Title 5-3-1 of Indiana Code, and provide interested parties with addresses, telephone numbers and times for submitting grievances and complaints.

2. Consult with local elected officials and other stakeholders on the development of the Method of distribution set forth in the State's Consolidated Plan for CDBG funding submitted to HUD.

3. Publish a draft Consolidated Plan and afford citizens and units of general local government the opportunity to comment thereon.

4. Furnish citizens and units of general local government with information concerning the amount of CDBG funds available for proposed community development and housing activities and the range/amount of funding to be used for these activities.

5. Hold one (1) or more public hearings respective to the State's draft Consolidated Plan duly advertised in newspapers of general circulation in major population areas statewide pursuant to I.C. 5-3-1-2 (B), to obtain the views of citizens on proposed community development and housing needs. The Consolidated Plan Committee published the enclosed legal advertisement to thirteen (13) regional newspapers of general circulation statewide respective to the public hearings held on the 2017 Consolidated Plan. In addition, this notice was distributed by email to over 1,000 local officials, non-profit entities, and interested parties statewide in an effort to maximize citizen participation in the planning process:

The Republic, Columbus, IN
The Corydon Democrat and Clarian News, Corydon, IN
Indianapolis Star, Indianapolis, IN
The Journal-Gazette, Fort Wayne, IN
The Salem Leader and Salem Democrat, Salem, IN
Scott County Journal, Scottsburg, IN
The News and Tribune, Jeffersonville, IN
The Chronicle-Tribune, Wabash, IN
Gary Post Tribune, Gary, IN
Tribune Star, Terre Haute, IN
Journal & Courier, Lafayette, IN

Evansville Courier, Evansville, IN
South Bend Tribune, South Bend, IN
Palladium-Item, Richmond, IN
The Times, Munster, IN
The Star Press, Muncie, IN

6. Provide citizens and units of general local government with reasonable and timely access to records regarding the past and proposed use of CDBG funds.

7. Make the Consolidated Plan available to the public at the time it is approved by HUD, and;

8. Follow the process and procedures outlined in items 2 through 7 above with respect to any amendments to a given Consolidated Plan and/or annual Action Plan.

In addition, the State also will solicit comments from citizens and units of general local government on its CDBG Performance Review submitted annually to the U.S. Department of Housing and Urban Developments (HUD). Prior to its submission of the Review to HUD, the State will advertise regionally statewide (pursuant to I.C. 5-3-1) in newspapers of general circulation soliciting comments on the Performance and Evaluation Report.

The State will respond within thirty (30) days to inquiries and complaints received from citizens and, as appropriate, prepare written responses to inquiries or complaints received from such citizens.

CDBG-OOR, HOME, HTF.

APPLICATIONS

CDBG.

OWNER OCCUPIED REHABILITATION

Community Development Block Grant
Owner-Occupied Rehabilitation
2020 Application Policy

SUMMARY

The purpose of the Owner Occupied Rehabilitation (OOR) Program is to preserve affordable housing stock by providing funding to selected applicants for the rehabilitation of owner-occupied housing for low to moderate-income households. Through this program, IHCDA seeks to improve the quality of life of assisted individuals and the quality of the existing housing stock in Indiana.

This program is designed to allocate CDBG funds to be used for OOR among selected applicants who have developments that meet IHCDA's requirements and goals for the program:

1. Demonstrate they are meeting the needs of their specific community.
2. Attempt to reach low and very low-income levels of Area Median Income (AMI).
3. Are ready to proceed with the activity upon receipt of the award.
4. Propose projects that assist individuals with disabilities, households with children six and under, single parent households, veterans, and individuals aging in place.
5. Propose the use of Minority Business Enterprises and/or Women-Owned Business Enterprises and Indiana contractors, employees, and products.

Contents

Available Online

IHCDA CDBG Program Webpage

Last Updated: 02/11/2020

Part 1: Application Process

1.1 CDBG Application Forms and CDBG OOR Policy Discrepancies

In the event of a conflict or inconsistency between the CDBG OOR Application Forms, Appendices, and/or CDBG OOR Application Policy, the CDBG OOR Application Policy will prevail.

1.2 Funding Round Timelines

Note: This is an anticipated schedule and is subject to change or extension, and dependent upon the availability of funding

Fiscal Year 2020 Round:

Application Available / Round Begins	October 2020
Application Webinar	November 2020
Application Due Date	December 2020
Award Announcements	February 2021

Please note that the award announcement date is predicated upon the finalization of the federal budget and the total funding amount of CDBG to the State of Indiana.

1.3 Application Webinar

An application webinar will be conducted prior to the application deadline. During the webinar, IHCDA Real Estate Production Department staff will describe the requirements of the OOR program, threshold and scoring criteria, how to complete the required forms, and how to utilize OneDrive. Local Units of Government and administrators intending to apply are strongly encouraged to attend the application webinar.

1.4 Lead & Inspection Webinar

IHCDA strongly encourages potential applicants to attend. If an administrator has an open CDBG OOR contract with IHCDA, they are required to attend. IHCDA will send dates via RED notice to all RED Partners. If an applicant or administrator is in need of technical assistance on lead based paint regulations, they are encouraged to reach out to the Lead Grant Manager.

1.5 Technical Assistance

The Applicant may schedule a technical assistance meeting with their regional IHCDA Real Estate Production Analyst to discuss both the proposed development and IHCDA's application process. Technical assistance may be required at IHCDA's discretion if the applicant does not have experience with IHCDA awards or if past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

1.6 Application Submission

Applicants must submit the following items:

- Via OneDrive:
  - Two completed copies of the final application form, one as an Excel file and one as a searchable PDF.

  - All supporting documents required in the tabs. Please submit this information as **<u>separate PDF documents</u>**, each labeled to indicate the appropriate tab letter and name. The tab label directory is located at the end of the IHCDA CDBG OOR Application Policy. Do not send one PDF containing all supporting documentation.
  - Signed Environmental Review Record (May be submitted as a PDF)
- Via hard copy:
  - The original tear sheet or original publisher's affidavit of legal notice for any public hearing.
  - One USB Flash Drive with all documents

Applicants that submit hard copies of any documents not specifically listed above will be ineligible to receive points in the Bonus category.

All required application items are due no later than 5:00 p.m. Eastern Time, on or before the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Applicants encountering technical issues with application forms, supporting documentation, or the submittal process should contact their IHCDA Real Estate Production Analyst as soon as possible. If informed of the problem in a timely manner, IHCDA staff may be able to correct the issue and/or provide additional guidance for specific non-Federal requirements on a case-by-case basis. However, assistance cannot be provided for applicants that do not notify IHCDA of an issue prior to the application deadline.

Instructions on how to utilize OneDrive will be explained during the application webinar. Please note:

- **Applicants may NOT set up folders in OneDrive themselves.**
- **Applicants must contact the Real Estate Department Coordinator to request the creation of a folder.**
- **The Real Estate Department Coordinator will then share that folder with the applicant and the applicant may then upload the application form and all other required documents to the created folder.**

Public hearing documentation and USB flash drives should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: CDBG OOR Application
30 South Meridian Street, Suite 900
Indianapolis, IN 46204

All applicants must retain a copy of this application package for their records. Applicants that receive funding will be bound by the information contained in this application package.

Applicants must notify the Real Estate Department Coordinator and their Regional Analyst when they have uploaded documents to OneDrive. Failure to notify IHCDA when documentation is uploaded may result in the delay or disqualification of the application.

IHCDA will send an email confirmation to the applicant contact within one week of submission notifying the applicant of receipt by IHCDA. Please notify the Real Estate Department Coordinator if the applicant would like to add an additional contact person for communications regarding the CDBG Application.

1.7 Application Review

Each application must address only one development. Applications are reviewed in a three step process:

Step One - Completeness	On or before the application deadline, the applicant must provide all required documents, signatures and attachments.
Step Two - Threshold	The application must meet each of the applicable threshold criteria. After initial threshold review, IHDCA staff may contact an applicant to notify them of required technical corrections as well as to request clarification of additional questions raised during threshold review. The applicant will have the opportunity to respond on or before the response due date provided by IHCDA. If the applicant does not respond to the technical correction and threshold clarification letter, or the applicant's response does not address all concerns, the application may be disqualified. For definitions of technical corrections and clarifications, please consult the glossary at the end of this policy.
Step Three - Scoring	Applications that pass completeness and threshold reviews are then scored according to IHCDA's published scoring criteria. After initial score review, IHCDA staff may contact the applicant for further clarification of a scoring item. Failure to respond to the requested scoring clarification items by the due date and in the manner requested may result in application denial. **Additional supporting documentation for scoring categories will not be accepted after the initial application submission.**

Points will be awarded to applicants requiring two or less technical corrections, based upon the scoring table located in the Bonus scoring section of this policy.

Funded applications will be announced at the published IHCDA Board Meeting date – the announcement timing is dependent upon the approval of the State of Indiana Annual Action Plan. Confirmation letters and score sheets will be uploaded to OneDrive by the close of business on the day of the board meeting. Applications that are not funded will be notified via a denial letter and final score sheets which will be uploaded to OneDrive by the close of business on the day of the board meeting. Applications that are not funded will **not** be rolled over into the next funding round.

1.8 Minimum Score Requirement
There is no minimum score required for funding in the CDBG OOR Round.

1.9 IHCDA CDBG, HOME & HTF Program Manual
The IHCDA CDBG, HOME & HTF Program Manual outlines the requirements for administering IHCDA's CDBG awards. A complete copy of the CDBG & HOME Program Manual and exhibits are available on IHCDA's website here.

1.10 Environmental Review Record and Section 106 Historic Review User's Guide
The Environmental Review Record (ERR) and Section 106 Historic Review User's Guide and the ERR Workbook provides additional background information about the federally required processes including why the review is necessary, how to perform the review, and other resource information to help you complete the ERR Workbook. These documents can be found on IHCDA's website here.

Part 2: Eligible Applicants

2.1 Eligible Applicants

Community Development Block Grant (CDBG)	Cities, Towns, and Counties that are not CDBG entitlement communities: (Entitlement communities are listed below)	Cities, Towns, and Counties that are CDBG entitlements: (Entitlement communities are listed below)	501(c)3 and 501(c)4 Not-for-Profit Organizations	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Eligible Applicants:	✓	Not eligible	Not eligible	Not eligible	Not eligible

CDBG OOR Funds

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of CDBG entitlement communities and whose proposed activities are consistent with the State's HUD-approved Consolidated Plan. Not-for-profit 501(c)3 or 501(c)4 organizations, public housing authorities, regional planning commissions, and/or townships are encouraged to participate in activities as subrecipients of local units of government but must apply through a sponsoring eligible city, town, or county.

The following CDBG entitlement communities are not eligible to apply for CDBG funds:

Anderson	East Chicago	Gary	Indianapolis**	LaPorte	New Albany
Bloomington	Elkhart	Goshen	Kokomo	Michigan City	South Bend
Columbus	Evansville	Hamilton County*	Lafayette	Mishawaka	Terre Haute
	Fort Wayne	Hammond	Lake County	Muncie	West Lafayette

*The following communities in Hamilton County are eligible for CDBG funds: Arcadia, Atlanta, Cicero and Sheridan.

**Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is located outside of Marion County.

2.2 Ineligible Applicants

IHCDA reserves the right to disqualify any application from an applicant, subrecipient, administrator, preparer, or related party with a history of disregarding policies, procedures, or staff directives associated with administering any program through IHCDA. This also applies to programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs (OCRA), the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development (USDA), or the Federal Home Loan Bank (FHLB).

Applicants with an open CDBG OOR grant are ineligible to apply for another grant until the current award has been completed with all completion reports and close out documents submitted.

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in Chapter 17 of the IHCDA CDBG & HOME Program Manual.

2.3 Religious and Faith-Based Organizations

i. Religious/faith-based organization eligibility. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the OOR program. Neither the Federal Government nor a state or local government receiving funds under the OOR program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

ii. Beneficiaries. In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

iii. Separation of explicitly religious activities. Recipients and subrecipients of OOR program funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.

iv. Religious identity. A faith-based organization that is a recipient or subrecipient of OOR program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from federal, state, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, an OOR program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

v. Alternative provider. If a program participant or prospective program participant of the OOR program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.

vi. Structures. Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the OOR program. Sanctuaries, chapels, or other rooms that an OOR program-funded religious congregation uses as its principal place of worship, however, are ineligible for OOR program-funded improvements. Disposition of real property after the term of the grant, or any change in the use of the property during the term of the grant, is subject to government wide regulations governing real property disposition (see 2 CFR 200.311).

vii. Supplemental funds. If a state or local government voluntarily contributes its own funds to supplement federally funded activities, the state or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

Part 3: Eligible Activities & Program Requirements

3.1 Eligible Activities

The purpose of the OOR Program is to provide subsidies in the form of grants to selected applicants for the rehabilitation of owner-occupied housing for low to moderate-income people. The program is intended for the rehabilitation of owner-occupied housing that serves as the homeowner's primary residence.

- To be eligible for owner-occupied rehabilitation, the homeowner beneficiary must be low-income and occupy the property as a principal residence. A household owns a property if that household:
    - Has fee simple title to the property; or
    - Maintains a 99-year leasehold interest in the property; or
    - Owns a condominium; or
    - Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
    - If held in a life estate, the person who has the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent.

  Ownership does not include land sale contracts/contracts for deeds or life estates, unless the life estate meets all the criteria listed above.
- Homeowners that meet the above requirement and previously received CDBG OOR assistance may be eligible for additional assistance if the home is not currently subject to an IHCDA affordability period or lien. Please contact your IHCDA Real Estate Production Analyst and provide the previous scope of work for the residence as well as the proposed new scope of work to determine eligibility.
- Eligible repairs:
    - Minor repairs which can include, but are not limited to, an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
    - Any major household system repaired or replaced as part of the rehabilitation process must meet the stricter of the Indiana State Building Code or local building codes.
    - Funds may be used to remedy conditions that, while not posing an immediate threat to health and safety, represent an ongoing threat to the structural integrity of a building and may eventually result in an emergency situation.

  Owner-occupied rehabilitation is subject to the Owner-Occupied Rehabilitation Priority List (see Application Appendices) when determining scope of work.
- Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
    - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
        - Shall have been constructed after January 1, 1981;

- Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
- Has wheels, axles and towing chassis removed;
- Has a pitched roof; and
- Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
- All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCDA.

3.2 Ineligible Activities

The following are ineligible activities:

- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- The provision of project-based tenant rental assistance;
- Rehabilitation of mobile homes, unless they meet the criteria listed above;
- Acquisition, rehabilitation, or new construction if any part of a development or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the development;
- Rehabilitation of multi-family or single-family rental housing;
- Rehabilitation of out buildings such as sheds or detached garages; and
- Rehabilitation of an attached garage.
  - **EXCEPTION:** When required, costs associated with the lead risk assessment of a garage may be an eligible cost. ONLY the costs associated with lead hazards may be eligible. Please contact your Real Estate Production Analyst for more information.

In addition, IHCDA **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, marital status, sexual orientation, or gender identity in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities; and
- Medical research or medical profit-making enterprises.

3.3 OOR Program Requirements

The proposed OOR development must follow these minimum requirements, and all other requirements set forth in the CDBG & HOME Program Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's CDBG & HOME Program Manual, available at http://www.in.gov/myihcda/2490.htm.

CDBG REQUIREMENTS
Recipients must comply with all regulatory requirements listed in 24 CFR Part 570.
Applicants should familiarize themselves with IHCDA's CDBG & HOME Program Manual. Requirements include, but are not limited to, the following:

- **Policy Requirements, Chapter 1:**
    - Recipient must hold a minimum of two public hearings, each at a different stage of the process, for the purpose of obtaining citizens' input and responding to proposals and questions.
    - The homeowner beneficiary must own the property and must occupy the property as a principal residence.
        - If there is a long-term lease agreement on the property, a 99-year lease must be recorded in the county recorder's office of the county in which the property is located prior to award document preparation.
        - Ownership does not include life estates (unless the person who has the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent) and land sale contracts/contracts for deeds.
- **Lead Based Paint, Chapter 2:**
    - Each recipient of a CDBG award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed.
    - Anyone who conducts lead-based paint activities in the State of Indiana must be licensed by the Indiana State Department of Health. Activities include inspections for lead based paint, risk assessments for lead hazards, clearance examinations following lead abatement, abatement of lead based paint, project design, supervision, and work in abatement projects.
    - Anyone who is paid to perform work that disturbs paint in housing and child-occupied facilities built before 1978 must be EPA certified. This includes all firms and sole proprietorships such as residential rental property owners and managers, general contractors, and special trade contractors including painters, plumbers, carpenters, and electricians.
    - Federal law requires that a "certified renovator" be assigned to each job, and that all involved individuals be trained in the use of lead-safe work practices.
        - To become a certified renovator, a person must complete a renovator training course accredited by EPA or an EPA authorized program which will teach them how to work lead safe.
        - All remaining individuals must also be trained. They can either be certified renovators (meaning they successfully completed the accredited training) or they can have been trained on the job by a certified renovator (such training must be documented and the documents must be retained).
- **Uniform Relocation Act, Chapter 4:**
    - Each recipient of a CDBG award is subject to the requirements of the Uniform Relocation Act. See the IHCDA's CDBG & HOME Program Manual Chapter 4 on URA for guidance on the regulatory requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, the Federal

regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.

- **Fair Housing and Civil Rights, Chapter 5:**
  - Every recipient must demonstrate that it will complete an action to affirmatively further fair housing during the time frame of an award.
- **Section 3, Chapter 7:**
  - Any recipient receiving an aggregate amount of $200,000 or more from one or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.
- **Income Eligibility and Verification, Chapter 8:**
  - The homeowner beneficiary must be income eligible. Each household must have an annual income equal to or less than 80% of the area median family income for the target area. The HUD Part 5 definition of income applies.
  - Income verification is valid for a period of six months. If more than six months pass between the income verification and contract execution a new income verification must be completed.
- **Procurement Procedures, Chapter 11:**
  - Award recipients will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction. The recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the CDBG award.
- **Environmental Review, Chapter 11:**
  - All applicants are required to complete the environmental review record (ERR) and submit it with their application as an application threshold item. The resulting IHCDA Release of Funds is required before fully executed award documents are released and before proceeding with the project.
- **Construction Standards (Construction Standards and Physical Inspections, Chapter 14):**
  - All IHCDA-assisted units must be inspected twice during the award period. The first inspection, by a licensed, or IHCDA approved, third-party building inspector must occur within 30 days of completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The final inspection conducted by an IHCDA inspector must be performed after the independent inspection, upon completion of construction on each unit and correction of any findings from the first inspection. (IHCDA CDBG & HOME Program Manual, Construction Standards & Physical Inspections Chapter 14)
- **Limited English Proficient Persons**
  - Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or

encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.

- **Uniform Requirements**
    - The recipient shall comply with 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"
- **Debarment and Suspension**
    - The requirements in 2 CFR part 2424 are applicable. CDBG funds may not be provided to excluded or disqualified persons.
- **Federal Financial Accountability and Transparency Act of 2006 (FFATA) Reporting Requirements**
    - FFATA reporting requirements applies all federal funding awarded by IHCDA in the amount of $25,000.00 or greater under all of IHCDA's federal programs.
    - As a sub-recipient, your entity must provide any information needed pursuant to these requirements. This includes (1) entity information, (2) the unique identifier of your entity, (3) the unique identifier of the parent of your entity, and (4) relevant executive compensation data, if applicable. This will require your entity to provide IHCDA with your entity's DUNS number and registering with the System for Award Management ("SAM").
    - <u>Executive Compensation</u> - As described above, you will be required to report to the SAM, the names and total compensation of the five most highly compensated officers of your entity <u>if</u> your entity received eighty percent (80%) or more of its annual gross revenues from Federal contracts and Federal financial assistance (as defined at 2 CFR 170.320) <u>and</u> $25,000,000.00 or more in annual gross revenues from Federal contracts and federal financial assistance (as defined at 2 CFR 170.320); <u>and</u> if the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.
    - <u>Exception to Executive Compensation Requirement</u> - Your entity may certify that it received less than eighty percent (80%) of annual gross revenues from the federal government, received less than $25,000,000.00 of its annual gross revenues from the federal government, already provides executive compensation to the Securities Exchange Commission, or meets the Internal Revenue Code exemption, and will not be required to submit executive compensation data into the SAM under FFATA, provided, that the your entity registers in the SAM and submits the other data requested.

- Compliance requires that your organization take the following two (2) steps:
    - Obtain a DUNS number and Provide DUNS number to IHCDA (when requested by IHCDA). A DUNS number may be requested from D&B by telephone (currently 866-705-5711) or the Internet (currently at http://www.dnb.com/get-a-duns-number.html).
    - Register and maintain SAM status Registration information (must be updated annually) and provide copy of proof of registration to IHCDA (when requested by IHCDA). Information regarding the process to register in the SAM can be obtained at https://www.sam.gov/portal/public/SAM/

Part 4: Subsidy Limitations & Eligible Activity Costs

4.1 Subsidy & Budget Limitations

The maximum request amount per application is $350,000.

CDBG funds may not exceed $25,000 per unit for the rehabilitation budget line item.

Combined CDBG funds budgeted for program delivery, award administration, and environmental review cannot exceed twenty percent (20%) of the OOR award.

4.2 Eligible Activity Costs

The bolded items listed below are included in the application budget. The requirements set forth in Sections 4.3 – 4.9 apply to CDBG funding. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

ADMINISTRATION - The administration line item includes those costs directly related to administering the IHCDA award and complying with the regulations associated with these funds. This line item, along with program delivery and environmental review, cannot exceed 20% of the CDBG request; costs incurred and claimed cannot exceed $10,000. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCDA are not eligible for reimbursement through a CDBG award. Eligible costs include:

- Communication costs;
- Lead based paint training;
- Office materials and supplies;
- Office rent and utilities;
- Photocopying;
- Postage;
- Staff time or professional services related to reporting, compliance, monitoring, or financial management;
- Training related to the housing activity; and
- Travel related to the housing activity.

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the Environmental Review Release of Funds process. This does not refer to a Phase I Environmental Assessment (Phase I EA should be included in the Program Delivery line item). This line item along with program delivery and administration cannot exceed 20% of the CDBG request. Eligible costs cannot exceed $5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 Exhibits of the IHCDA CDBG & HOME Program Manual available here: http://www.in.gov/myihcda/2490.htm.

LEAD HAZARD TESTING – Costs associated with lead hazard testing include Risk Assessment, Clearance Test, etc. The limits for this line item are $1,000 per unit.

PROGRAM DELIVERY - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the

implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed 20% of the CDBG request. Recipients are allowed to draw down this line item as costs are incurred.
Eligible costs include:

- Building permits;
- Client intake and income verification;
- Cost estimates;
- Credit reports;
- Demolition permits;
- Engineering and architectural plans;
- Impact fees;
- Inspections;
- Legal and accounting fees;
- Plans, specifications, work write-ups;
- Recording fees; and
- Travel to and from the site.

REHABILITATION – Eligible costs include:

- Construction management, if provided by a third party;
- Hard costs associated with rehabilitation activities for owner-occupied repairs. Examples of eligible repairs are an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, and hazardous structural conditions;
- Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served;
- Lead-based paint interim controls and abatement costs;
- Mold remediation; and
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety.

RELOCATION - Relocation includes payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, not-for-profit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCDA's CDBG & HOME Program Manual.

RETAINAGE POLICY - IHCDA will hold the final $5,000 of an award until all match documentation, closeout documentation, and completion reports are received and approved. Closeout documentation will not be approved until the final monitoring and inspection is completed and all associated findings and/or concerns are resolved.

4.3 Ineligible Activity Costs

The following are ineligible activity costs, and will not be reimbursed by IHCDA:

- Annual contributions for operation of public housing;
- Commercial development costs;

- Costs associated with any financial audit of the recipient;
- Costs associated with preparing an application for funding through IHCDA;
- Developer's Fee;
- Loan guarantees;
- Mortgage default/delinquency correction or avoidance;
- Operating Reserves – Funds used to initially capitalize a reserve fund that covers operating expenses when there are rental income shortfalls over the life of a permanent supportive or rental development. This line item must be included on the Uses of Funds exhibit;
- Providing tenant based rental assistance;
- Purchase or installation of luxury items, such as swimming pools or hot tubs;
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers;
- Purchase or installation of stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners; or
- Replacement Reserves – Funds used to initially capitalize a reserve fund used for major capital repairs to a permanent supportive or rental housing facility. These funds can be capitalized either through operating cash flow or through the development budget on the Uses of Funds exhibit.

Part 5: Completeness & Threshold Requirements

Each proposed development must satisfy the Federal requirements of the CDBG OOR program and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

5.1 Completeness and Threshold Requirements

1) Timeliness – All documentation must be turned in by the application due date.

- On or before the application deadline, the applicant must provide all documentation as instructed in this Application Policy and as listed in the CDBG OOR Application.
- If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
- Any forms that are late will be denied review and will be sent back to the applicant.

2) Responsiveness – All questions must be answered and all supporting documentation must be provided as requested.

Completeness	Location
Application and Supporting Documents • Submit two copies of fully-completed CDBG OOR application, one as an Excel file and one as a searchable PDF. • Submit all required supporting documents via OneDrive. • Mail the original public hearing tear sheet or publisher's affidavit to IHCDA by the application deadline. **Do not submit paper copies of the application or any other supporting documents. Applicants may also be issued a Technical Correction for using policies or forms from previous rounds.** • Please ensure that the Applicant's complete legal name is listed in the application form (e.g. Board of Commissioners of Monroe County, *not* Monroe County Commissioners).	OneDrive and mailed to IHCDA
Threshold Item	**Location**
SAM Registration • Submit a copy of the applicant and administrator/subrecipient's System of Award Management (SAM) registration. https://www.sam.gov/portal/SAM/#1	Tab A_SAM Registration
Target Market • Submit a map which outlines the targeted area, neighborhood, or county with clearly identifiable borders. If targeting an entire county, please label the specific locations within the county that have been identified as of application submittal. • Submit a narrative describing the targeted market (e.g. city, town, county, neighborhood.) • Submit market need documentation as outlined in Section 6.2.	Tab B_ Target Market Documentation

<table>
<tr><td>Grievance Procedures
Submit applicant and/or administrator/subrecipient’s Grievance Procedures. Grievance Procedures must address current, former, and potential tenants, including (1) how grievances will be submitted, (2) who will review them, (3) timeframe for the review, and (4) the appeal process.</td><td>Tab C_Grievance Procedures</td></tr>
<tr><td>Area Median Income Level Served
Affirm in application that all assisted units will serve households with income at or below 80% of the area median income for the development’s county according to the current Federal Program Income Limits.</td><td>Application, Sheet 04</td></tr>
<tr><td>Administrator Documentation (if applicable)
If the applicant has hired an administrator to administer the award, please provide documentation demonstrating that the administrator has been properly procured using the Competitive Negotiation (RFP) Procedure.
Submit a copy of the Request for Proposals (RFP).
Submit the published advertisement that was put in a general circulation newspaper for the RFP.
Submit a copy of the contract between applicant and administrator.
If the administrator will be using an in-house employee to do lead testing, submit a copy of the staff member’s current lead inspector and/or risk assessor license issued by the Indiana State Department of Health.</td><td>Tab E_Administrator</td></tr>
<tr><td>Subrecipient Documentation (if applicable)
Submit an IRS determination letter for 501(c)3 status.
Provide a copy of the Certificate of Existence from the Indiana Secretary of State to provide proof that the organization is in good standing.
Submit a copy of the contract between applicant and subrecipient.
If the subrecipient will be using an in-house employee to do lead testing, submit a copy of the staff member’s current lead inspector and/or risk assessor license issued by the Indiana State Department of Health.</td><td>Tab F_Subrecipient</td></tr>
<tr><td>Third-Party Inspection
Affirm in application that applicant understands a third-party inspection must be completed on each address within 30 days of construction completion. Applicant may not wait until all addresses are completed unless construction on all addresses is completed within 30 days of each other.</td><td>Application, Sheet 07</td></tr>
<tr><td>Warranty
Affirm in application that applicant understands all contractors are required to provide a one-year warranty for their work. Warranties begin as of the date the final clearance report is signed by IHCDA’s inspector.</td><td>Application, Sheet 07</td></tr>
<tr><td>Application Submission Resolution
All applicants for IHCDA funding must submit a resolution approved by the applicant’s city, town, or county council authorizing the submission of an application for funding to IHCDA. Applicants must submit:
One CDBG Application Submission Resolution signed by the applicant’s city, town, or county council (found in the CDBG OOR Appendices)</td><td>Tab D_Letters of Commitment</td></tr>
</table>

<table>
<tr><td>Public Hearing
Two public hearings are required for CDBG funding. One public hearing MUST occur prior to application submittal.
Provide the original tear sheet or original publisher’s affidavit of legal notice that includes the date of the public hearing and the date of notice publication. Under Indiana Code (I.C. 5-3-1-2 (B)) there must be a minimum of one legal notice at least 10 calendar days prior to the public hearing.
Submit a copy of the sign-in sheet.
Submit a copy of the minutes of the public hearing, which must include the date and time of the meeting, the name and title of the person running the meeting, anyone who presented at the meeting, and all content presented to the public.
Describe methods used to solicit participation of low and moderate-income persons.
Describe any comments/complaints received and responses to the comments/complaints.</td><td>Tab G_Public Hearing</td></tr>
<tr><td>HUD or Rural Development Funding (if applicable)
If the proposed development has received funding directly from HUD or Rural Development in the past, the applicant must send a notification letter to the appropriate HUD or Rural Development office notifying them that an application is being submitted to IHCDA for federal funding.
Provide a copy of the notification letter sent to HUD or Rural Development.
Provide proof of delivery of the notification letter, either an email read receipt or a mail delivery receipt.</td><td>Tab H_HUD & RD</td></tr>
<tr><td>Environmental Review Record (ERR)
Submit Environmental Review Forms (Exhibits A, B, E, F, the Findings page, and the Signatures page).
Once awarded, Exhibit G will then need to be submitted for each address. The ERR forms are located in the appendices of this policy. For more detailed ERR instructions, please refer to the exhibits for Chapter 11 of the IHCDA CDBG & HOME Program Manual 4th Edition, available here: http://www.in.gov/myihcda/2490.htm.</td><td>Tab I_ERR</td></tr>
<tr><td>Multiple Jurisdiction Partnership Memorandum of Understanding (MOU)
When one jurisdiction is acting as applicant but partnering with other jurisdictions to rehab homes in more than one municipality, the applicant must submit:
A signed MOU between the applicant jurisdiction and any other partner jurisdictions specifying the terms of their partnership</td><td>Tab D_Letters of Commitment</td></tr>
</table>

Floodplain Determination Map Acquisition, rehabilitation, refinancing, or new construction of any part of a development, or its land, located within the boundaries of a 100 year floodplain is not eligible for CDBG OOR funding. FEMA FIRM Flood Map(s) for the target area(s) must be submitted with the application. • Please submit a FEMA FIRM Flood Map(s) that clearly demonstrates whether the target area(s) (e.g. county, city, town) in the development are or are not within a 100-year floodplain. (Any property located in any variation of zone "a" on the map is ineligible for funding). Maps may be downloaded from the FEMA website here: https://msc.fema.gov/portal. Applicants must submit FIRM Panels for all target areas. Flood maps for individual sites are not required at the time of application. • **City/Town Applicants: HUD 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.** • **County Applicants: Applicants that intend to serve an entire county may submit a DNR map in place of a FEMA map.** • Please label any sites that have been identified prior to application submittal.	Tab I_ERR
Affirmatively Furthering Fair Housing All CDBG award recipients must take action to affirmatively further fair housing in the jurisdiction they are serving. • Select which furthering fair housing activity or activities you will be conducting.	Application, Sheet 07

Part 6: Scoring

If an application meets all applicable threshold requirements, it will be evaluated and scored based on the following scoring criteria:

Scoring Category	Points Possible
Population Served	14
Needs Analysis	15
Readiness	5
Capacity	14
Leveraging	6
Additional Program Features & Bonus	7
Total Possible Points	**61**

When there is a scoring criteria based on the county being served and the development is in multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest half point.

6.1 Populations Served **Category Maximum Points Possible: 14**

1) *Area Median Income (AMI) Served:* *Maximum Number of Points: 6*
Six points will be awarded to applicants that commit to serving beneficiaries in CDBG assisted units in accordance with the following chart. The Area Median Income (AMI) level is for the county in which the development is to be located. Awarded recipients will be held to the unit commitment in their award agreement. Changes to the AMI levels served will require prior IHCDA approval. Rent and Income Limits may be found in Appendix C of the Ongoing Rental Compliance Manual located online at http://www.in.gov/myihcda/2490.htm.

Area Median Income (AMI) Served	Points
At least 20% of beneficiaries are at or below 30% AMI **OR** At least 30% of beneficiaries are at or below 40% AMI	6

2) *Targeted Populations* *Maximum Number of Points: 8*
Points will be awarded to applicants assisting households with at least one individual belonging to one or more of the targeted population groups described below. The household must be the primary residence of the qualifying individual. An individual or household that meets the criteria for two or more categories (e.g. a veteran with a disability or a single parent household with a child with a disability) may only be counted for **one** of the categories he or she qualifies for when calculating percentages for this scoring category.

Percentage of Households Serving Targeted Populations	Points
60% of Total Households Served	8
40% of Total Households Served	6
20% of Total Households Served	4

Targeted Populations
Individuals with Disabilities Households with at least one individual living in the home with a disability using the Fair Housing definition of disabled as defined in the CDBG Application Policy Glossary.
Families with Children Six and Under Households with at least one child six or younger. Applicants seeking these points must set aside funding for these households to clear all lead hazards in the home.
Aging in Place Households with at least one elderly individual, as defined in the CDBG Application Policy Glossary, living in the home. Repairs made to the home must address accessibility, livability, and visitability.
Veterans Households with at least one veteran individual, as defined in the CDBG Application Policy Glossary, living in the home.
Single Parent Head of Household Households with a single parent, grandparent, or guardian head of household.

6.2 Needs Analysis — Category Maximum Points Possible: 15

This category assesses the market need of the targeted area based on socio-economic factors. A market study is not required. All information may be found in the Appendix or at the links listed in the below categories.

1) *Median age of owner-occupied structure* — *Maximum Number of Points: 4*

Points will be awarded based on the county's median age of owner-occupied single-family housing stock based on a scale of older median age of the structures compared to newer structures. IHCDA will use the Purdue Rural Indiana Statistics to determine the number of points. Applicants may use the following mapping service to determine the median age of the owner-occupied structures: https://pcrd.purdue.edu/ruralindianastats/ and use the "Owner occupied, Median Year Structure Built by Tenure" layer.

Owner-occupied median year built	Points
1955 and older	4 points
1956-1965	3 points
1966-1975	2 points
1976-1985	1 point
1986 and newer	0 points

If target area is multiple counties, an average will be taken. If County A receives three points, and County B receives two points, the applicant will get 2.5 points.

If the target area is only within the municipal boundaries of a single local unit of government the Purdue map can be substituted with supporting documentation from the US Census and must be reviewed and approved by IHCDA staff prior to submission.

2) <u>*Distressed Counties*</u> *Maximum Number of Points: 2*

Points will be awarded based on the county's level of distress based on unemployment and income. A county is considered distressed by unemployment if it has an unemployment rate that is at least 1 percent greater than the national average. A county is considered distressed by income if it has a 5-year ACS per capita income that is 80 percent or less than the national average. IHCDA will use StatsAmerica to determine the number of points. Applicant may determine the distress level of their county using the following site: http://www.statsamerica.org/distress/distress.aspx. Points will be determined using data from the month prior to the month the application must be submitted.

Distressed Counties	Points
Not Distressed	0 points
Distressed by unemployment	1 point
Distressed by income	1 point
Distressed by both income and unemployment	2 points

If target area is multiple counties, an average will be taken.

3) <u>*Poverty Rate*</u> *Maximum Number of Points: 4*

Points will be awarded based on the County Poverty Level. IHCDA will use the Purdue Rural Indiana Statistics to determine the number of points. Applicant may use the following mapping service to determine the poverty level of the county: https://pcrd.purdue.edu/ruralindianastats/ and use the "Poverty Rate" layer.

Poverty Rate	Points
Below 10%	0 points
10.0%-12.4%	1 point
12.5% - 14.9%	2 points
15.0% - 19.9%	3 points
Above 20%	4 points

If target area is multiple counties, an average will be taken.

If the target area is only within the municipal boundaries of a single local unit of government the Purdue map can be substituted with supporting documentation from the US Census and must be reviewed and approved by IHCDA staff prior to submission.

4) *Community Without Recent OOR Award* *Maximum Number of Points: 5*

Five points will be awarded to applicants whose proposed service area is a town, city, or county that has not received an OOR award within the last five years. The date is based upon the date the Board of Directors' approved the award.

- **City/Town Applicant:** If a county has received an OOR award within the last five years, as determined by the date of IHCDA Board of Directors approval, but a local unit of government within that county has not received an award within the last five years, that LUG is eligible for points in this category. The LUG must certify that 51% or more of the benefitted units will be within the LUG's jurisdiction.

  If the target area consists of multiple municipalities, an average will be taken. If Municipality A had an OOR award within the past five years and Municipality B did not, the applicant will receive 2.5 points.

- **County Applicant:** If a city within a county has received an OOR award within the last five years, as determined by the date of IHCDA Board of Directors approval, but the county level of government has not received an OOR award within the last five years, the county is eligible for points in this category. To be eligible, the County must certify at least 51% or more of the benefitted units will be outside the city that received the previous award.

  If the target area is multiple counties, an average will be taken. If County A had an OOR award within the past five years and County B did not, the applicant will receive 2.5 points.

  To receive points in this category:
    - LUG certifications, if applicable, should be submitted on official letterhead and signed by the LUG contact identified in the CDBG OOR Application or the highest elected official. Certifications must be submitted in **Tab B_Targeted Market.**
    - If the applicant is unsure if any CDBG OOR funding has been received in the past five years, please contact your IHCDA Regional Analyst for more information.

6.3 Readiness — Category Maximum Points Possible: 5

This category describes the applicant's ability to begin and timely execute an awarded development.

1) *Client Intake* *Maximum Number of Points: 3*

Points will be awarded to applicants that have already begun the client intake process, according to the chart below. Client intake means that potential clients have been identified, are interested in participating in the OOR program, and have certified their income within twelve months of application date. A complete income verification is not required, but please provide the best estimate of the household's annual income after initial interview/contact. If full income verification has been completed, clients must be appropriately income-verified per the HUD Part 5 definition.

Percentage of Units with Clients Identified	Points
25 - 50% of units	1
51 - 75% of units	2
76 - 100% of units	3

To receive points in this category, the applicant must fill out and submit the Client Intake List in **Tab J_Client Intake**. The Client Intake List should include the client's name, address, estimated household income, age, AMI level, and targeted population status as defined in section 6.1 (e.g. veteran, aging in place, etc.), if applicable. The Client Intake List can be found in the Application Appendices.

2) *Contractor Solicitation* *Maximum Number of Points: 2*

Points will be awarded to applicants who invite material participation in the proposed OOR development by Indiana contractors. To qualify for these points, a minimum of five letters inviting contractors to participate in the bidding of the development must be sent, with at least one of these letters going to state certified Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Federal Disadvantaged Business Enterprises (DBE), Veteran- Owned Small Businesses (VOSB), and/or Service Disable Veteran Owned Small Businesses (SDVOSB).

To receive points in this category, the applicant must submit in **Tab K_Contractors**:

- Copies of all letters sent to each contractor inviting participation in the bidding of the project;
- Evidence of receipt of invitation, either by certified mail or e-mail read receipt, by at least five contractors; and
- A copy or print out from the State's certification list clearly indicating that at least one solicited contractor meets the MBE/WBE/DBE/VOSB/SDVOSB status requirement.

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

DBE	Indiana Department of Transportation	http://www.in.gov/indot/2576.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/

6.4 Capacity — Category Maximum Points Possible: 14

This category evaluates the administering entity on their ability to successfully carry out the proposed OOR development based on certifications, experience, and overall award performance on previous awards.

1) *Certifications* — *Maximum Number of Points: 3*

Points will be awarded to applications which include an applicant or administering entity with a staff member or staff members who have received the certifications listed below. Two points will be awarded for the completion of one of the certifications listed below by a staff member of the administering entity. One additional point will be awarded for the completion of two certifications listed below by a staff member and/or staff members of the administering entity. If two staff members hold the same certification, points will be awarded for two certifications.

If you do not see a certification you have received on the list that you believe would be relevant, please consult with your Real Estate Production Analyst at least one week prior to the application due date to request that it be eligible for points.

Required IHCDA Compliance Trainings, IHCDA application and policy webinars, IHCDA application and policy trainings, and IHCDA feedback sessions are not eligible for points in this category.

Certification	Sponsoring Organization
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis/Indiana Housing and Community Development Authority
CDBG Grant Administration Certification	Office of Community and Rural Affairs, State of Indiana
HOME & CDBG Certification Training	Indiana Housing and Community Development Authority (IHCDA)

To receive points in this category, the applicant must submit in **Tab L_Certifications**:

- Documentation of certification completions or confirmation of attendance.

2) *New Administrator Experience:* — *Maximum Number of Points: 5*

Five points will be awarded to administering entities with no previous IHCDA award experience that can demonstrate experience in construction management, rehabilitation of built structures, and/or prior CDBG experience through a different funding agency. The definition for administrating entity can be found in the glossary section of this application policy. Administrating entities with previous IHCDA award experience are not eligible to receive points in this category.

To receive points in this category, the applicant must submit the following documentation in **Tab M_Experience**:

- Provide a written narrative explaining previous relevant experience; and
- Provide third-party reference of experience in the above mentioned fields.

3) *Administering Entity's IHCDA Award Performance* *Maximum Number of Points: 8*

An administering entity may only use a non-OOR IHCDA award for this scoring category if the award was monitored within the past five years, as determined by the date of the IHCDA Monitoring Results letter, and it has no prior IHCDA OOR award monitored within the past five years, as determined by the date of the IHCDA Monitoring Results letter. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred.

Applicants cannot qualify for points under both the New Administrator Experience and IHCDA Award Performance.

Description of Overall Award Performance	Points
Most recently monitored IHCDA CDBG/-D OOR award had no findings and no concerns.	8
Most recently monitored IHCDA CDBG/-D OOR award had no findings, but concerns were noted. **OR** No IHCDA CDBG/-D OOR experience, most recently monitored HOME award had no findings and no concerns.	6
Most recently monitored IHCDA CDBG/-D OOR award had only one finding. **OR** No IHCDA CDBG/-D OOR experience in the past five years; most recently monitored HOME award had no findings, but concerns were noted.	4

Most recently monitored CDBG award had more than one finding and the close-out monitoring review letter was received within: • One Year or Less: • Two Years to One Year and One Day: • Three Years to Two Years and One Day: • Four Years to Three Years and One Day: • Five Years to Four Years and One Day: The above timeframes will be determined using the CDBG application due date. In order to receive points in this category, the applicant/administrator must submit a narrative describing how the identified findings were addressed and remedied. This narrative may be submitted in **Tab M_Experience.**	 0 0.5 1 1.5 2
Does not meet any category above. Examples: • The organization administering the award has no experience with IHCDA in the past five years. • The organization administering the award has no CDBG/-D OOR experience in the past five years and its most recently monitored HOME award had findings.	0

To receive points in this category, the applicant must submit the following in the application:

- Provide the applicable award number for the administering entity.
- If applicable, a narrative describing how identified findings were addressed and remedied in **Tab M_Experience.**

4) *Timely Expenditure of Funds* *Maximum Number of Points: 3*

Points will be awarded to an administering entity that has expended their most recent, as determined by award expiration date, IHCDA CDBG or CDBG-D OOR award funds without requesting an award extension. The award must be from within the past five years, as determined by the award's execution date. If there is no CDBG/CDBG-D award, the applicant may use the most recent IHCDA HOME award. List the award number in the application form.

If an applicant has multiple awards that originally expired on the same date, all awards must have met the requirements to be eligible for points in this category.

Award Length	Points
Most recent IHCDA CDBG or CDBG-D or HOME award completed by the award expiration date.	3

To receive points in this category, applicant must submit the following in the application:

- Provide the award number of the most recently completed IHCDA HOME or CDBG/-D award for the administering entity, which was completed by the award expiration date without an award extension.

5) *Benchmarks* *Maximum Number of Points: -1*
Points will be deducted from an administering entity that has not met at least two benchmarks for six, nine, or 12 months on their most recent CDBG OOR award. If an applicant had multiple awards that were approved at the same time and are its most recent, each award must have met at least two benchmarks. **Awards from the most recent CDBG OOR funding round will not be considered for this scoring category.**

6.5 Leveraging of Other Sources — Category Maximum Points Possible: 6

Points will be awarded to applicants whose proposed project has received a firm commitment to leverage other funding sources. A "firm commitment" means that the funding does not require any further approvals.

"Other Funding Sources" include (but are not limited to) private funding, funds from a local community foundation, volunteer labor, Federal Home Loan Bank funding, federal, state or local government funds, in-kind donations for labor or professional services, sweat equity, and donated material and equipment. Shared and banked match are not eligible for points in this category.

Points will be awarded based on the Amount of Funding divided by the Total Development Costs:

Percentage of Total Development Costs	Points
.50% to 1.99%	1
2.00% to 3.99%	2
4.00% to 5.99%	3
6.00% to 7.99%	4
8.00% to 9.99%	5
Greater than 10%	6

To receive points in this category, the applicant must submit the following in **Tab D_Letters of Commitment**:

- Provide a letter from the appropriate authorized official approving the funds. The letter must include a description of the type of approved funding for the proposed development and the amount of funding.

- In-Kind Donations – Labor or Professional Services: Submit commitment letter from donor(s) specifying number of hours they intend to donate and their professional service pay rate.
- In-Kind Donations – Sweat Equity: Submit a copy of sweat equity policy.
- In-Kind Donations – Donated Material and Equipment: Submit commitment letter from donor(s) specifying either the total value of the donated materials or the rental equipment rate and number of hours the equipment will be donated.

6.6 Additional Program Features & Bonus — Category Maximum Points Possible: 7

1) *Additional Program Features* — *Maximum Number of Points: 5*

Points will be awarded to applicants that commit to additional program features above and beyond what is required by this application policy. Applicants may commit to as many features as is feasible for up to a maximum of three points. Features will be verified during monitoring.

Features	Points
IHCDA Resources	1
Maintenance Brochures	2
Reflective Address Signs	2
Three Year Warranty	3

IHCDA Resources – The applicant will distribute information on IHCDA resources to each assisted household as well as information on other applicable resources in the area. IHCDA programs such as Weatherization, Energy Assistance, Individual Development Accounts, Ramp Up, etc., must be included. Program information handouts can be found in the Appendices.
Maintenance Brochures – The applicant will distribute maintenance brochures to each assisted household that provides guidance on home upkeep and maintenance. The brochure must include contact information for specific home issues as well as emergency contact numbers.
Reflective Address Signs – The applicant will install reflective address signs for each assisted household. These signs make it easier for emergency vehicles and others to identify homes.
Three Year Warranty – Both the applicant and contractor commit to a three year warranty (two more years than required) on all work completed on each assisted home. The beneficiary must be made aware of this commitment via the homeowner agreement.

To receive points in this category, the applicant must submit the following in **Tab_N Additional Features**

- Provide a narrative summary of the committed features and how they will be executed.
- Copies of any information provided to homeowners, including information on non-IHCDA resources and maintenance brochures.

2) *Bonus* — *Maximum Number of Points: 2*

Points will be awarded based upon the scoring table below to applications that are submitted according to IHCDA's submittal guidelines and which pass threshold with one or less technical corrections, as defined in the IHCDA CDBG OOR Policy Glossary.

Technical Corrections	Points
Zero	2
One	1
Two or More	0

To receive points in this category, the applicant must:

- Submit a searchable PDF of the application on OneDrive;
- Submit an Excel file of the application on OneDrive;
- Answer all questions in the policy and application;
- Submit all required threshold in the correct tabs;
- Submit all required threshold in the correct form (mailed and/or on OneDrive); and
- Label and include all tabs on OneDrive as described in the Application Policy. All tabs must be included regardless of whether documentation is required in each tab.
- Submit a USB that contains all documents.
- Not use forms or policies from previous rounds

Part 7:OneDrive Site Tab Directory

When uploading supporting documentation to OneDrive, please create and name the tabs (file folders) as seen above and place correct documentation, as described throughout the Application Policy, in each tab.

Owner-Occupied Rehabilitation Program TAB Directory
Tab A_SAM Registration
Tab B_Targeted Market
Tab C_Grievance Procedures
Tab D_Letters of Commitment
Tab E_Administrator
Tab F_Subrecipient
Tab G_Public Hearing
Tab H_HUD & RD
Tab I_ERR
Tab J_Client Intake
Tab K_Contractors
Tab L_Certifications
Tab M_Experience
Tab N_Additional Features
Tab O_Displacement

Part 8: Glossary of Terms

Below are definitions for commonly used terminology found throughout the CDBG and CDBG-D OOR Application policy and forms and applicable to the OOR program.

Administrator: A procured entity that will assist carrying out the OOR program.

Administering Entity: This is the organization that will be carrying out the requirements of the award through the life of the affordability period. Since this entity will be doing the work required by the award, they are eligible for certain point categories. The applicant can administer its own award; however, it is also possible to procure a grant administrator or to have a subrecipient.

Beneficiary: The household or unit that receives homeowner repair work as a result of a CDBG/CDBG-D OOR grant.

CDBG: The Community Development Block Grant (CDBG) program is a federally-funded program that provides states and communities with resources to address a wide range of unique community development needs. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. The Indiana Housing and Community Development Authority (IHCDA) is a State Administered CDBG program. The IHCDA allocates awards in the form of grants to Local Units of Government that carry out CDBG OOR developments.

Children: Children are defined as those persons ages 18 years of age or younger. The child must reside in the home that will benefit from the OOR program.

Clarification: A clarification is any question or concern IHCDA may have regarding an applicant, proposed development, or other issue that does not meet the definition of a technical correction, as defined below. The number of clarifications an applicant receives will not impact its score.

Development: The CDBG OOR activity proposed in the application.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older and modifications to the home are needed so this person may age in place in the home benefitting from the OOR program with the family.

Entitlement Community: The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for developments giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Inspection: A scheduled visit made by an Inspector to the households units that received IHCDA CDBG/CDCG-D OOR grant dollars. All IHCDA-assisted households/units that receive CDBG/CDBG-D must be inspected twice during the award period. The first inspection must occur within four weeks of the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections.

Median Income: A determination made through statistical methods establishing a middle point for determining Income Limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a document describing a bilateral or multilateral agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the development.

OOR: Owner-Occupied Rehabilitation

Technical Correction: A technical correction occurs when an applicant does not provide sufficient information or documentation to meet the IHCDA CDBG OOR program threshold requirements as defined in section 5.1 of this policy. Technical Corrections may occur when the required information or documentation is not submitted, is out-of-date, or is vague or incomplete. IHCDA reserves the right to classify other application errors or omissions as technical corrections at its own discretion. Applicants that receive two or less technical corrections may receive bonus points as defined in the Bonus scoring section of this policy.

Veteran: A person who served in the active military, naval, or air service.

HOME.

HOME HOMEBUYER POLICY

Part 1: Application Process

1.1 Overview and Funding Priorities

The purpose of this HOME Investment Partnership Program (HOME) application is to provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation and/or new construction of single-family housing to serve low income beneficiaries. Through this program, the Indiana Housing and Community Development Authority (IHCDA) seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate HOME funds to be used for the rehabilitation and/or new construction of single-family homebuyer housing among selected applicants having developments that meet the requirements of the program and IHCDA's goals for the program.

1. Demonstrate they are meeting the needs of their specific community;
2. Serve low-income households (at or below 80% of area median income);
3. Proceed with the activity upon receipt of the award and begin construction within 12 months of receipt of the award;
4. Link the project to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan).
5. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure; and
6. Propose the use of state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and/or Service Disabled Veteran Owned Small Business (SDVOSB) contractors, employees, and products when applicants are planning and undertaking their housing activities.

1.2 HOME Application Forms and HOME Policy Discrepancies

In the event of a conflict or inconsistency between the HOME Homebuyer Policy and the HOME Application Form and/or Appendices, the procedures described in the HOME Homebuyer Application Policy will prevail.

1.3 Funding Round Timeline

For Program Year 2018 and 2019, IHCDA is accepting applications under the Homebuyer Policy on a rolling basis until funds are expended. If no funds are expended, the funding will be made available for eligible rental projects.

1.4 Technical Assistance

The applicant may schedule a technical assistance meeting with its regional IHCDA Real Estate Production Analyst to discuss both the proposed development and IHCDA's application process. Technical assistance may be required at IHCDA's discretion if the recipient does not have experience with IHCDA awards or if the applicant's past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

1.5 Application Submission

- Via IHCDA's OneDrive site (Please ensure notary seals are visible on any scanned documents):
    - CHDO Application Workbook and supporting documentation (if applying for CHDO Certification)
    - One completed copy of the HOME application form.
    - All supporting documents required in the tabs. Please submit this information as separate, labeled PDF documents under the required labeled tabs. **Do not send one PDF containing all of the supporting documentation**.
    - Signed Environmental Review Record (May be submitted as a PDF)
- Via hard copy:
    - Application fee of $250.
    - One USB Flash Drive with all documents

Application fees should be made payable to IHCDA. If a check is returned for insufficient funds, the application will be denied. The application fee is non-refundable except, if the applicant applies and is certified as a Community Housing Development Organization (CHDO), the full application fee will be refunded.

Faxed applications will not be accepted.

Applicants encountering technical issues with application forms, supporting documentation, or the submittal process should contact their IHCDA Real Estate Production Analyst as soon as possible. If informed of the problem in a timely manner, IHCDA staff may be able to correct the issue and/or provide additional guidance for specific non-Federal requirements on a case-by-case basis. However, assistance cannot be provided for applicants that do not notify IHCDA of an issue prior to the application deadline.

Instructions on how to utilize OneDrive will be explained during the application webinar. Please note:

- **Applicants may NOT set up folders in OneDrive themselves.**
- **Applicants must contact the Real Estate Department Coordinator to request the creation of a folder.**
- **The Real Estate Department Coordinator will then share that folder with the applicant and the applicant may then upload the application form and all other required documents to the created folder.**

The hard copy of the final application forms, completed environmental review forms, and application fee of $250 should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: HOME Application
30 South Meridian Street, Suite 900
Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

IHCDA will send an email confirmation to the applicant contact within one week of submission notifying the applicant that the application was received by IHCDA. Please notify the Real Estate Department Coordinator if the applicant would like to add an additional contact person for communications regarding its application.

1.6 Application Review

Each application must address only one development. Applications are reviewed in a three step process:

Step One - Completeness	On or before the application deadline, the applicant must provide all required documents, signatures and attachments.
Step Two - Threshold	The application must meet each of the applicable threshold criteria. After initial threshold review, IHDCA staff may contact an applicant to request clarification of threshold information contained in the pending application. The applicant will have the opportunity to respond on or before the due date provided by IHCDA. If the applicant does not respond to the threshold clarification letter and therefore threshold item(s) are still in question, the application will be disqualified. Points will be awarded to those applications where no clarifications are required. For definitions of technical corrections and clarifications, please consult the glossary at the end of this policy.
Step Three - Scoring	Applications that pass the completeness and threshold reviews are then scored according to IHCDA's published scoring criteria. After initial score review, IHCDA staff may contact the applicant for further clarification of a scoring item. Failure to respond to the requested scoring clarification items by the due date and in the manner requested may result in application denial. Supporting documentation for scoring categories will not have the opportunity to be submitted after the initial application submission.

Applications proposing homebuyer activities will be scored separately from, and will not compete with, applications proposing rental activities. An amount of funding, determined at the discretion of IHCDA, will be set aside for homebuyer projects each year. This round has a maximum of $2,000,000 available for homebuyer activities. If additional funds are available after this round that were originally reserved for homebuyer activities (either due to lack of sufficient number of homebuyer applications in general or lack of homebuyer applications meeting threshold requirements), these funds will be redirected and used for rental development.

Funded applications will be announced at the published IHCDA board meeting date. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the board meeting. Applications that are not funded will be notified by IHCDA via denial letters and final score sheets being uploaded to the FTP site by the close of business on the day of the board meeting. Applications not funded will not be rolled over into the next funding round.

1.7 Past HOME Awards

Before an Applicant can apply for a new HOME award, any other HOME awards that the applicant has received from IHCDA must be drawn by a minimum of 25% of the award's total funding amount. HOME funds awarded within the last six months (from the last day signed on the contract agreement) are exempt from this requirement.

1.8 Minimum Score Requirement

An application must score at least 47 points to be considered for funding.

1.9 IHCDA CDBG, HOME & HTF Program Manual

The IHCDA CDBG, HOME and HTF Program Manual outlines the requirements for administering IHCDA's CDBG, HOME and HTF awards. A complete copy of the Program Manual and all exhibits is available on IHCDA's website at http://www.in.gov/myihcda/2490.htm

1.10 Environmental Review Record and Section 106 Historic Review User's Guide

The Environmental Review Record (ERR) and Section 106 Historic Review User's Guide and the ERR Workbook provides additional background information about the federally required processes including why the review is necessary, how to perform the review, and other resource information to help you complete the ERR Workbook. These documents can be found on IHCDA's website here. Please note that no choice limiting actions can take place until the Release of Funds has been issued by the U.S. Department of Housing and Urban Development.

1.11. IHCDA Waiver Policy

IHCDA will not accept waivers on underwriting, subsidy limitations, federal regulations or scoring requirements with this round.

1.12 Development Fund

Applicants may apply for the Development Fund with their HOME application; however, Development Fund may not be available for supplemental funding at IHCDA's discretion. Applicants must provide documentation and explanation on an alternative source of finding if the Development Fund application is denied, or if Development Fund is not available.

More information on the Development Fund may be found in Part 10.

Part 2: Eligible Applicants

2.1 Eligible Applicants

HOME Investment Partnerships Program (HOME)	Cities, Town, and Counties (Non-HOME Participating Jurisdiction)	Community Housing Development Organizations (CHDO)	501(c)3 and 501(c)4 Not-for-Profit Organizations and PHAs	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Homebuyer New Construction and/or Homebuyer Rehabilitation	✓	✓	✓	✓	Not eligible

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of the participating jurisdictions listed below. Applications from, or housing activities located within, the following participating jurisdictions are NOT eligible for HOME funds:

Bloomington	Gary	Lafayette Consortium**
Evansville	Indianapolis*	South Bend Consortium***
Fort Wayne	Lake County	South Bend Consortium***

*Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is outside of Marion County.

**Lafayette Consortium is made up of the Cities of Lafayette and West Lafayette and the unincorporated areas of Tippecanoe County. Other incorporated areas are eligible to receive assistance.

***South Bend Consortium is made up of the Cities of South Bend and Mishawaka and the unincorporated areas of St. Joseph County. Other incorporated areas are eligible to receive assistance.

2.2 Eligible CHDO Applicants Proposing Projects Located in Selected Participating Jurisdictions

IHCDA will allow for non-profits that certify as CHDOs to apply for IHCDA HOME funding if the project is in a participating jurisdiction that receives less than $500,000 of HOME funding within IHCDA's HOME Program Year. At time of publication, the participating jurisdictions that qualify are:

Anderson	East Chicago	Hammond	Muncie	Terre Haute

In order to be eligible, the applicant must have received a preliminary commitment of HOME funds from the participating jurisdiction for the project for which the applicant is applying for IHCDA funding. Documentation of this commitment by the participating jurisdiction must be submitted at the time of application. CHDOs proposing projects located in participating jurisdictions will be eligible to request up to $500,000 in IHCDA HOME funding. These CHDOs would also be eligible for CHDO Operating Supplement, as described in Section 4.4, and CHDO Predevelopment Loans, as described in Section 4.5.

IHCDA may, at its discretion, require CHDO's proposing projects located in participating jurisdictions to attend IHCDA trainings or participate in one-on-one technical assistance as a condition of funding.

2.3 Ineligible Applicants

IHCDA reserves the right to disqualify from funding any application that has an applicant, sub-recipient, administrator, preparer, or related party of any of the aforementioned, with a history of disregarding the policies, procedures, or staff directives associated with administering any IHCDA program or program administered by any other State, Federal, or affordable housing entity. This includes, but is not limited to, the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, or the Federal Home Loan Bank.

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in the Program Manual Chapter 17.

2.4 Religious and Faith-Based Organizations

- *Equal treatment of program participants and program beneficiaries.* (1) *Program participants.* Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME program. Neither the Federal Government nor a State or local government receiving funds under the HOME program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- *Beneficiaries.* In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a

religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

- *Separation of explicitly religious activities.* Recipients and subrecipients of HOME program funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.
- *Religious identity.* A faith-based organization that is a recipient or subrecipient of HOME program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a HOME program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- *Alternative provider.* If a program participant or prospective program participant of the HOME program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.
- *Structures.* Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HOME program. Sanctuaries, chapels, or other rooms that a HOME program-funded religious congregation uses as its principal place of worship, however, are ineligible for HOME program-funded improvements. Disposition of real property after the term of the grant, or any

change in the use of the property during the term of the grant, is subject to government wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

- *Supplemental funds.* If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

Part 3: Eligible Activities & HOME Program Requirements

3.1 Eligible Activities

This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation and/or new construction of single-family housing for homebuyer activities. Acquisition only is not an eligible activity; however acquisition in conjunction with another activity is permitted.

- Rehabilitation, new construction, acquisition/rehabilitation or acquisition/new construction of single-family housing.
- If HOME funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence within 9 months of the demolition or acquisition.
- Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
    - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
        - Shall have been constructed after January 1, 1981, and must exceed nine hundred fifty (950) square feet of occupied space per I.C. 36-7-4-1106 (d);
        - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
        - Has wheels, axles and towing chassis removed;
        - Has a pitched roof;
        - Consists of two or more sections which, when joined, have a minimum dimension of 20' X 47.5' enclosing occupied space; and
        - Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
        - All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCDA.

3.2 Ineligible Activities

The following are ineligible activities:

- Rental housing;
- Performing owner-occupied rehabilitation;
- Group homes;
- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- Rehabilitation of mobile homes;
- Acquisition, rehabilitation, refinancing, or new construction if any part of a home or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the development;

- Acquisition, rehabilitation, or construction of any developments that will be applying for RHTC. These developments must apply for HOME funds as part of the RHTC application (also called the Qualified Allocation Plan);
- Costs for supportive services, homeless prevention activities, operating expenses, or for the use of commercial facilities for transient housing;
- Acquisition, rehabilitation, or construction of transitional housing or emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for homeless persons;
- Payment of HOME loan servicing fees or loan origination costs;
- Tenant-based rental assistance;
- Payment of back taxes.

In addition, IHCDA **does <u>not</u>** fund:
- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international developments;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, gender identity, or against victims of domestic violence, dating violence, sexual assault, or stalking in policy or in practice;
- Developments in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- Medical research or medical profit-making enterprises.

3.3 HOME Program Requirements
The proposed HOME development must follow these minimum requirements, and all other requirements laid forth in the Program Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's Program Manual at http://www.in.gov/myihcda/2490.htm.

- Recipients must comply with all regulatory requirements listed in 24 CFR Part 92.

Applicants should familiarize themselves with IHCDA's CDBG, HOME & HTF Program Manual. Requirements include, though are not limited to the following

- **Policy Requirements**:
  - Homebuyer activities must assist households at or below 80% of the Area Median Income for the county, as published by HUD and distributed by IHCDA. Households must also meet the definition of "low-income families" at 24 CFR 92.2 which limits occupancy based on certain student status rules..
- **Lead Based Paint**:
  - Each recipient of a HOME award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed.
  - Anyone who conducts lead-based paint activities in the State of Indiana must be licensed. Licenses are issued only after an applicant has successfully completed course certification by an accredited training facility and has passed the licensing examination administered by the ISDH. A separate license is required for each of the authorized lead

disciplines. All licenses must be renewed every three years by successfully completing refresher training approved by the ISDH. Activities requiring licensing include:
    - Inspection for lead-based paint
    - Risk assessment for lead hazards
    - Clearance examination following lead abatement
    - Abatement of lead-based paint
    - Project design, supervision, and work in abatement projects
  - Anyone who is paid to perform work that disturbs paint in housing and child-occupied facilities built before 1978 must be EPA certified. This includes all firms, even sole proprietorships. Firms can't advertise or perform renovation activities covered by the regulation in homes or child occupied facilities built before 1978 without firm certification. Examples of the types of firms covered:
    - Residential rental property owners/managers
    - General contractors
    - Special trade contractors, including
      - Painters
      - Plumbers
      - Carpenters
      - Electricians
  - Federal law requires that a "certified renovator" be assigned to each job and that all involved individuals be trained in the use of lead-safe work practices.
    - To become a certified renovator, a person must complete a renovator training course accredited by EPA or an EPA authorized program which will teach them how to work lead safe.
    - All remaining individuals must also be trained. They can either be certified renovators (meaning they successfully completed the accredited training) or they can have been trained on the job by a certified renovator (such training must be documented and the documents must be retained).
- **Section 504:**
  - Housing must meet the accessibility requirements of 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined in 24 CFR Part 100.201. It must also meet the design and construction requirements of 24 CFR 100.205 which implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C. 3601-3619).
- **Uniform Relocation Act:**
  - Each recipient of a HOME award is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). See IHCDA's Program Manual Chapter 4 for guidance on the regulatory requirements of the URA, as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.
- **Affirmative Marketing Procedures**
  - Rental and homebuyer housing with five or more HOME-assisted units must adopt IHCDA's Affirmative Marketing Procedures.
- **Section 3:**
  - Any recipient receiving an aggregate amount of $200,000 or more from one (1) or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year

must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.

- **Income Verification**:
  - An income verification is valid for a period of six months. If more than six months pass between income verification and contract execution/purchase agreement, then a new income verification must be completed.
- **Procurement Procedures:**
  - Each recipient of a HOME award will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award.
  - If the recipient of the HOME award is a Local Unit of Government, or a non-profit not acting as a developer, the recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the HOME award. Please note that public non-for-profits (ie Housing or Redevelopment Authorities, and public agencies may not act as Developers and must competitively procure.
  - If the non-for-profit recipient is acting as a developer, competitive procurement standards are not required. To be considered a non-for-profit developer, the non-profit must meet the following criteria:
    - Must have site control (either through ownership or a lease) of the property;
    - Must be in sole charge of the development processes - and not just acting as a contractor, which includes:
      - Obtaining zoning and other approvals;
      - Obtaining other non-HOME financing for the project;
      - Selecting architect the, engineers, general contractors and other members of the development team; and,
      - Overseeing the progress of the work and cost reasonableness.
  - Public Housing Authorities (PHA's) using PHA funds in conjunction with IHCDA funds are subject to Davis Bacon requirements. Each recipient of a HOME award must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the HOME award.
- **Environmental Review:**
  - To help facilitate timely expenditure of HOME funds, all applicants are required to complete and submit the Environmental Review Record (ERR) and Section 106 Historic Review at the time of application. IHCDA may Tier the ERR.
  - To complete the forms and the Release of Funds process, refer to the ERR Guidebook found at: https://www.in.gov/myihcda/2650.htm
  - As part of the Section 106 Historic Review process, IHCDA is required to submit all new construction projects to the Indiana Department of Natural Resources' State Historic Preservation Office (SHPO) for archaeology review. SHPO is statutorily required to complete this review within 30 days. Please plan your project timeline accordingly.
  - The applicant will receive their fully executed HOME award documents and will be allowed to draw funds only after the applicant has been allowed to publish a public notice and when the Release of Funds process is complete.

Applicants may not purchase any property to be assisted with HOME funds, sign contracts, or begin rehab/construction until the ERR/Release of Funds process has been completed and approved.

- IHCDA will not fund projects that are located in a floodway or that have any portion of the project site in a 100-year flood plain. If the project site has any area that is designated as any variation of Zone A or as a floodway, then the project is ineligible for IHCDA funding. Re-platting and/or re-parceling a site out of any variation of Zone A will not be allowed. Instead, the applicant must consult with and follow FEMA procedures to change the flood designation; this process should be completed prior to submitting a funding application to IHCDA.
- For sites within the shaded Zone X or sites outside of Zone A but without a Base Flood Elevation (BFE; this information will be indicated on the FEMA map), then the potential adverse impacts of being directly adjacent to a flood prone area must be minimized. Therefore, the applicant must demonstrate to IHCDA that the following design modifications are included in the project scope. The information must be submitted with the ERR Workbook upon funding application to IHCDA. These requirements can also be found in the ERR Workbook
    - Flood minimization techniques like permeable surfaces, storm water capture and reuse, and/or green roofs.
    - New construction and substantial improvement projects must be elevated at or above the 100-year floodplain.
    - The inclusion of early warning systems and emergency evacuation plans.
- If your project involves new construction and has either mapped wetlands or potential wetlands, the project is not eligible for IHCDA funding. If your project involves site excavation, installation of wells or septic systems, grading, placement of fill, draining, dredging, channelizing, filling, diking, impounding, and any related activities, and has either mapped wetlands or potential wetlands, you must consider project alternatives, including a new site

- **Construction Standards:**
    - All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur when 50% of funds are drawn for single site projects, or when half the units are complete for scattered site projects. The second inspection will be conducted upon completion of construction for the award. Site visits during construction may be conducted to monitor progress of all projects. The IHCDA Inspector or IHCDA's third-party Inspector will conduct the physical inspections. Failure to comply with these inspection requirements may result in the loss of points in future applications and/or findings during IHCDA post-award compliance monitoring.
- **Match:**
    - The match requirement for the HOME program is 25% of the total amount of HOME funds requested except HOME funds used for environmental review costs (pursuant to §92.206(d)(8)), planning costs (pursuant to §92.207); CHDO operating expenses (pursuant to §92.208); capacity building (pursuant to §92.300(b)) of CHDOs; and predevelopment or seed money loans to CHDOs (pursuant to §92.301) when IHCDA waives repayment under the provisions of §92.301(a)(3) or §92.301(b)(3).
    - Labor, property, funds, or other sources of match contribution donated by the applicant to itself, or by a principal or investor in the development, are not eligible for match as defined in §92.220(b)(4).

- If utilizing banked match, the applicant must have sufficient unencumbered banked match available at time of application.
- A listing of all eligible match sources may be found in the IHCDA CDBG, HOME & HTF Program Manual and within the match workbook.
- All required match must be committed by the time closeout documentation is submitted.

- **Davis Bacon:**
  - Each recipient of a HOME award must follow the Davis Bacon requirements found in 29 CFR Parts 1, 3 and 5 to ensure workers receive no less than the prevailing wages being paid for similar work for the following type of projects:
    - Rehabilitation or new construction of a residential property containing twelve (12) or more HOME-assisted units; and
    - Affordable housing containing twelve (12) or more units assisted with HOME funding regardless of whether HOME funding is used for construction or non-construction activities.
    - Such properties may be one (1) building or multiple buildings owned and operated as a single development.
- **Other HOME Required Construction Standards:**
  - Units must, at a minimum, meet the stricter of the local rehabilitation standards or the Indiana State Building Code.
  - Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
  - Recipients of HOME funds must meet additional energy efficiency standards for new construction as described in 24 CFR 92.251.
- **Housing Counseling:**
  - The recipient of HOME funds must ensure that every HOME-assisted homebuyer receives housing counseling before purchasing a home. Information on the requirements may be found in Section 6 of this policy.
- **Selling unit to eligible buyer:**
  - Any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within **nine months** of completion must be converted to a HOME-assisted rental unit.
  - In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Recapture Agreement.
- **Meaningful Access for Limited English Proficient Persons**
  - Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring

translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the development, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.

- **VAWA**
    - Recipient must follow the non-discrimination requirements of the Fair Housing Act, the Violence Against Women Reauthorization Act of 2013, and the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule.

3.4 Affordability Requirements

HOME subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The affordability period begins after development completion. The affordability period begins on the date the activity is completed in IDIS. To be completed in IDIS, the project must be completed, completion and close out documents submitted and approved, final monitoring is completed and, when any findings or concerns are resolved, all of the funds are drawn and/or de-obligated. For more information, see IHCDA Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15.

The following affordability periods apply to all HOME homebuyer activities:

Amount of HOME subsidy per unit:	Affordability Period
Under $15,000	5 years
$15,000 - $40,000	10 years
Over $40,000 or any rehabilitation/refinance combination activity	15 years

Annual Certification of Compliance:

In order to ensure compliance with the Affordability Period and principal place of residency requirements of the HOME Program for HOME-assisted homebuyer units, the recipient must submit a "Homebuyer Activity Annual Certification of Compliance" annually throughout the Affordability Period. The Certification confirms the owner is using the property as his or her principal place of residence. Verification of income in not required as part of this certification.

Confirmation that the buyer is using the property as his or her principal residence can often be accomplished by verifying that the buyer's name appears on utility company records and/or insurance company records for the home. In addition, postcards or letters mailed with "do not forward" instructions can demonstrate whether the buyer is receiving mail at the home.

This will require the recipient to certify compliance to IHCDA annually, under penalties of perjury, for each year of the Affordability Period. The recipient must certify that each home/homeowner assisted with HOME funds under this Award meets the affordability requirements. This will require the recipient to request each homeowner to sign the "Exhibit A: Principal Place of Residency Certification."

The "Homebuyer Activity Annual Certification of Compliance" is due on or before January 31st of each year and will certify information for the preceding twelve (12) month period. The first annual owner certification is due by January 31st of the year following closeout date (i.e. the first year of the affordability period) of this Award.

A complete submission includes the Certification, Exhibit A, and Exhibit B. The "Homebuyer Activity Annual Certification of Compliance" and related exhibit forms are made available on the compliance and asset management page of IHCDA's website at http://www.in.gov/myihcda/2342.htm. IHCDA will not send these forms to the recipient annually. Rather, it is the responsibility of the recipient to download the necessary forms and to contact IHCDA if there are any questions or concerns.

Repeated failure to submit reports or to comply with requests for reports could result in repayment of HOME funds associated with these home-assisted homebuyer units or suspension or debarment of the recipient. For more information on IHCDA's suspension and debarment policy, refer to Chapter 17 of IHCDA's Program Manual.

3.4 Homebuyer Recapture Guidelines

The recipient must implement recapture restrictions for any homebuyer property purchased, in whole or in part, by a homebuyer that received a direct buyer subsidy from the recipient in an amount greater than or equal to One Thousand and 01/100 Dollars ($1,001) from HOME funds. A homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing). Developers, other than CHDO's, are not allowed to provide down-payment or closing cost assistance; however a developer may provide a direct subsidy by reducing the purchase price from fair market value to an affordable price. Please note that the buyer subsidy cannot exceed $40,000/unit.

There are two different consequences that may be associated with a recapture provision: (1) the recapture provision can be triggered (as described just below) or (2) an event of non-compliance can occur (as described further below).

The recapture provisions are triggered if any of the following occur during the Affordability Period:

1. The homebuyer transfers or conveys the property by deed, land contract, or otherwise;
2. Foreclosure proceedings are commenced against the property;
3. The property is transferred by an instrument in lieu of foreclosure; or,
4. The title to the property is transferred from the homebuyer through any other involuntary means.

The amount of the homebuyer subsidy shall be reduced by multiplying the homebuyer subsidy by the Forgiven Ratio ("defined below") in order to determine the amount that will be forgiven. The amount to be recaptured and shall be limited to the Net Proceeds of the sale. "Net Proceeds" is defined as the sales price minus superior loan repayment (other than HOME funds) and closing costs. If there are no Net Proceeds, the amount to be recaptured will be zero and the HOME loan is considered satisfied. In the event there is significant market appreciation, once the HOME obligation is recaptured, the homebuyer can retain any appreciation. The amount recaptured cannot exceed the Net Proceeds, if any. "Forgiven Ratio" means a ratio that calculates the amount of the Direct Subsidy that is forgiven. This ratio shall be calculated by dividing the number of full months that owner occupies the property as its principal residence by the total of number of months in the Affordability Period.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property.

In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Recapture Agreement.

If there is both a development subsidy and a direct homebuyer subsidy or just a direct homebuyer subsidy, a recapture provision must be implemented. In cases where a direct homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

Under recapture guidelines the Affordability Period is based upon the total amount of the direct homebuyer subsidy that the homebuyer received in HOME funds. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

Non-Compliance - Occurs during the Affordability Period when any of the following occur: 1) the original homebuyer no longer occupies the unit as his or her principal residence (i.e., unit is rented or vacant), or 2) the home was sold during the Affordability Period and the recapture provisions were not enforced. In the event of noncompliance, the recipient must repay the entire amount of the HOME funds invested in the property. Net Proceeds ("as defined above") and the Forgiven Ratio ("as defined above") are not applicable when there is a non-compliance.

3.5 Homebuyer Resale Provisions

Applicants are encouraged to structure homebuyer projects to include a direct subsidy which can be achieved by reducing the sales price below the fair market value of the property. IHCDA does not recommend the use of resale provisions due to the risks associated with foreclosure, non-compliance and the administrative burdens associated with ensuring a fair return.

When a homebuyer property is constructed, redeveloped, rehabilitated, or acquired, in whole or in part, with HOME funds and the HOME funds are provided to the homebuyer property in the form of a development subsidy and there is no homebuyer subsidy the recipient must implement resale requirements. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase ("homebuyer subsidy"). The development subsidy consists of the difference between the cost of producing the unit and the market value of the property.

There are two different consequences that may be associated with a resale provisions (1) the resale provision can be triggered and its requirements must be met (as described below) or (2) an event of non-compliance can occur (as described further below).

The resale provisions are triggered if any of the following occur during the Affordability Period:

1. The homebuyer transfers or conveys the property by deed, land contract, or otherwise;
2. Foreclosure proceedings are commenced against the property;
3. The property is transferred by an instrument in lieu of foreclosure; or
4. The title to the property is transferred from the homebuyer through any other involuntary means.

The resale provision requires that the property:

1. Be marketed to families at or below 80% AMI;
2. Be resold to another individual or family whose income is at or below 80% of the area median income;
3. Be occupied by that individual or family as its primary residence for the remainder of the Affordability Period;
4. Be resold at a price that does not exceed 29% of the reasonable range of low income buyer's income towards the principal, interest, taxes and insurance for the property on a monthly basis ("Affordable Price"); and
5. Be affordable for a reasonable range of low income families between 50% and 80% of the median area income for the geographic area published annually by HUD.

The homebuyer is entitled to a fair return on its investment (as described below) upon the sale of the property. The fair return will be based on the percentage change in the Consumer Price Index for All Urban Consumers Owners' Equivalent Rent of Primary Residence category in Table I of the CPI Detailed Report (the "CPI Index") during the period of the homebuyer's ownership of the property. Accordingly, the CPI Index during the month the residence was completed (the month during which the completion reports were received by and approved by IHCDA) will be compared to the CPI Index during the month the homebuyer sells the residence to determine the percentage of the return. This percentage will be multiplied by the homebuyer's investment. Here is an example:

Original sales price = $100,000
Initial homebuyer investment = $5,000
Capital investment = $9,000
Percentage change in CPI = 3.5%

($5,000 + $9,000) x 3.5% = $490 fair return
$5,000 + $9,000 + $490 = $14,490 total return to original homebuyer at sale

$100,000 + $14,490= maximum allowable subsequent sales price.

The homebuyer's investment will include any down payment, plus any capital improvements. A capital improvement is any property enhancement that increases the overall value of the property, adapts it to new uses, or extends its life such as: adding windows, insulation, a new drive way, a new furnace, a garage, bedroom, new roof, remodeling kitchen, etc. Any capital improvement will be valued based on actual cost as documented by the homebuyer's receipts submitted to, and approved by IHCDA. Generally, replacing worn or dated components such as appliances or carpet would not be considered an improvement that adds value or adapts it to new uses. In certain circumstances, such as a declining housing market where home values are depreciating, the homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price and a loss on investment may constitute a fair return.

IHCDA will provide HOME assistance to the subsequent homebuyer to ensure that the original homebuyer received a fair return and that the unit is affordable to the defined low-income population.

The recipient will be required to ensure that a lien and restrictive covenant agreement, drafted by IHCDA has been executed and recorded on any HOME-assisted property. In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Resale Agreement.

Non-Compliance - Occurs during the Affordability Period when an owner (1) vacates the unit or rents the unit to another household, (2) sells the unit to a buyer that is not income-eligible, (3) sells the unit to a buyer that will not agree to use the property as its principle residence for the remainder of the Affordability Period (will not sign a lien and restrictive covenant agreement), or (4) does not sell it to the buyer at a reasonable price. In the event of noncompliance, the recipient must repay the entire amount of HOME funds invested in the housing.

Under resale guidelines the Affordability Period is based upon the total amount of HOME funds invested into the property and this is the amount that would need to be repaid by the recipient in the event of non-compliance or foreclosure that occurs during the affordability period.

Applicants are encouraged to structure homebuyer projects to include a direct subsidy which can be achieved by reducing the sales price below the fair market value of the property. IHCDA does not recommend the use of resale provisions due to the risks associated with foreclosure, non-compliance and the administrative burdens associated with ensuring a fair return.

Part 4: Community Housing Development Organizations (CHDOs)

4.1 IHCDA CHDO Set-Aside

IHCDA must allocate at least 15% of its HOME funds for CHDO developments.

4.2 CHDO Eligible Activities

For this round, single-family homebuyer housing is considered a CHDO-eligible activity for purposes of the CHDO set-aside as long as the activity takes place within the CHDO's state-certified service area and the CHDO develop the homeownership activity. As Developer, the CHDO must solely own the property in fee simple during the development period. The CHDO must further arrange financing for the development and be in sole charge of construction.

4.3 CHDO Program Requirements

CHDOs must adhere to all HOME requirements listed in this Application Package and the additional CHDO specific program requirements:

- Applicants that would like to apply as a CHDO must apply for CHDO certification at the time of submitting a HOME application. The CHDO application can be found as a separate document on the IHCDA website here: http://www.in.gov/myihcda/2541.htm. The CHDO application must be submitted at the same time as submittal of the HOME application.
- Treatment of Program Income by a CHDO:
    - CHDOs receiving loan repayments back from homebuyers during the affordability period may retain these funds. The funds must be utilized for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, if at any time during the affordability period, the CHDO becomes decertified or no longer has a mission of providing affordable housing then all CHDO proceeds must immediately be remitted to IHCDA. Additionally, funds recaptured because housing no longer meets affordability requirements are not considered CHDO proceeds and are subject to the requirements of 24 CFR 92.503(b) and must be returned to IHCDA. Please contact your Compliance Monitor for further assistance in this area.
- An application for a CHDO eligible undertaking must demonstrate the following:
    - Low- and moderate-income persons have had the opportunity to advise the CHDO in its decision regarding the design, site, development, and management of the affordable housing undertaking.
    - Certify that the organization continues to meet the definition of a CHDO by being a certified CHDO by IHCDA.
    - Complete the CHDO related sections in the Application Forms.
- Homebuyer provision for CHDO-eligible activities: HOME funds may be provided as a homebuyer deferred payment or forgivable loan and must carry a 0% interest rate and the term must not exceed the affordability period.

4.4 CHDO Operating Supplement

CHDOs may apply for supplemental funds in the HOME application forms. A CHDO may not receive CHDO operating supplement funds in an amount to exceed $50,000 within one program year.

Eligible costs include:

- Accounting Services/Audit
- Communication Costs
- Education/Training
- Equipment/Software
- Insurance
- Lead-Based Paint Equipment
- Legal Fees
- Postage
- Professional Dues/Subscriptions
- Rent
- Staff Salary/Fringe
- Taxes
- Travel
- Utilities

CHDOs can be eligible for a second year of CHDO Operating Support. CHDOs funded within the past 12-24 months for a HOME project can apply for additional supplemental operating support of up to $25,000, if they have met the following criteria:

- Have begun construction within the first 12 months of the executed agreement with IHCDA;
- Have drawn a minimum of 25% of the IHCDA housing development award;
- Have drawn 100% of the original CHDO Operating Support award.

CHDO Operating Support cannot exceed to greater of $50,000 within one program year.

4.5 CHDO Predevelopment and Seed Money Loans

CHDOs are eligible for development specific predevelopment or seed money loans. Applicants may request up to $30,000 in loans for special project-specific pre-development expenses. All loans may not exceed customary and reasonable project preparation costs and must be repaid from construction loan proceeds or other program income. The CHDO must apply for the predevelopment or seed money through a separate application process.

The following limitations apply to CHDOs requesting Predevelopment Loans:

- The CHDO may not have more than five currently open or pending CHDO Predevelopment Loans, including the loan being submitted.

Please contact your Real Estate Production Analyst for more details.

Part 5: Subsidy Limitations & Eligible Activity Costs

5.1 Subsidy & Budget Limitations

The maximum request amount per application is $500,000 for homebuyer activities. The maximum request amount per unit is cannot exceed the following:

Bedroom Size	Per Unit Subsidy Limit
1	$40,000
2	$50,000
3	$60,000
4+	$70,000

Subsidy Limitations

HOME funds used for rehabilitation, new construction, acquisition/rehabilitation, acquisition/new construction, soft costs, relocation, and developer's fee combined cannot exceed the limits as described above.. Please note that acquisition alone is not an eligible expense under this policy.

Minimum amount of HOME funds to be used for rehabilitation or new construction is $1,001 per unit.

Budget Limitations

- All subsidies must be secured throughout the affordability period by a written, legally binding, recorded restrictive covenant.
- HOME funds budgeted for developer's fee cannot exceed 15% of the HOME award.
- HOME funds budgeted for soft costs and environmental review, or soft costs, environmental review and developer's fee together cannot exceed 20% of the HOME award.
- A minimum of $1,000 of the HOME funding must be used as the buyer subsidy. This cost may also not exceed $40,000/unit.

5.2 Form of Assistance

HOME funds will be awarded to the recipient in the form of a grant or loan. Award documents must be executed in order to access funds and may include, but are not limited to: award agreement, resolution, and a lien and restrictive covenant agreement.

The applicant may then provide the HOME award as a forgivable, amortized, or deferred loan to as many other entities as they choose, known as subgrantees (beneficiaries if a homebuyer award). However, subgrantees must be identified in the application and approved by IHCDA.

A title company is required to be used for all loans that occur between the IHCDA recipient and the beneficiary or subgrantee of the program. For example, an IHCDA recipient providing funds for a homebuyer activity must use a title company when the loan is made to the homeowner. Another example is when an IHCDA recipient is assisting a property that that it does not own. When the loan is made from the IHCDA recipient to the subgrantee, a title company must be used.

The IHCDA recipient must execute a promissory note, mortgage, lien and restrictive covenant agreement, security agreement, UCC Financing Statement(s), and other documents as directed by IHCDA in order to secure IHCDA's investment in the assisted property. The recipient is required to deliver these documents to the county recorder's office for recording. These documents will be reviewed during monitoring visits.

The homebuyer must execute a lien and restrictive covenant agreement and in accordance with CPD Notice 12-003, the recipient must execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.), and assists the recipient in enforcing those requirements.

5.3 Eligible Activity Costs

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

ACQUISITION – Limited to the purchase price and related costs associated with the acquisition of real property. Recipients must use a title company when purchasing or selling assisted properties.

DEMOLITION – Costs associated with the demolition and clearance of existing structures.

DEVELOPER'S FEE – Developer's fees are only available with HOME funded activities and cannot exceed 15% of the HOME award. Additionally, the total of developer's fee, soft costs, and environmental review cannot exceed 20% of the HOME request.

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the NEPA compliance Environmental Review, which is a requirement of the Release of Funds process. This does not refer to a Phase I Environmental Assessment. This line item along with developer's fee, soft costs and environmental review cannot exceed 20% of the HOME request. Eligible costs for this line item are generally between $2,000 and $5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCDA CDBG, HOME & HTF Program Manual.

HOMEOWNERSHIP COUNSELING – Costs associated with formal training provided to prospective homebuyers. This item is limited to $1,000 per homebuyer. This line item applies to homebuyer developments only.

Eligible costs include:

- Course material development
- Credit reports
- Income verification
- Intake

- Loan processing
- Marketing and advertising
- Postage
- Professional services
- Program management
- Related travel
- Training location
- Underwriting

LEAD HAZARD TESTING – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are $1000 per unit.

NEW CONSTRUCTION – Eligible costs include:
- Hard costs associated with new construction activities;
- Utility connections including off-site connections from the property line to the adjacent street;
- Site work related to driveways, sidewalks, landscaping, etc.
- Related infrastructure costs - improvements to the development site that are in keeping with improvements of surrounding, standard developments. Site improvements may include on-site roads and water and sewer lines necessary to the development
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- General Requirements, Contractor Contingency and CMC

SOFT COSTS – Soft costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with environmental review or developer's fee and environmental review cannot exceed 20% of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Additionally, program delivery may be used to pay off a HOME CHDO Predevelopment or CHDO Seed Money loan but may not exceed the 20% line item cap.

Eligible costs include:
- Appraisals
- Builders risk insurance
- Building permits
- Client in-take / Income verification
- Closing costs paid on behalf of homebuyer
- Consultant fees
- Cost estimates
- Credit reports
- Demolition permits
- Engineering/Architectural Plans
- Impact fees
- Inspections
- Legal and accounting fees
- Other professional services
- Phase I Environmental Assessments
- Plans, specifications, work write-ups
- Private lender origination fees
- Realtor fees
- Recording fees
- Title Searches
- Travel to and from the site Lead hazard testing
- Utilities of assisted units

REHABILITATION – Eligible costs include:
- Hard costs associated with rehabilitation activities
- Lead-based paint interim controls and abatement costs
- Mold remediation
- Site work related to driveways, sidewalks, landscaping, etc.

- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served;
- General Requirements, Contractor Contingency and CMC

RELOCATION - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, not-for-profit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCDA's Program Manual Chapter 4.

RETAINAGE POLICY - IHCDA will hold the final $5,000 of an award until all match documentation, closeout documentation, and completion reports are received and approved. Closeout documentation will not be approved until the final monitoring and inspection is completed and all associated findings and/or concerns are resolved.

5.4 Ineligible Activity Costs

- Annual contributions for operation of public housing
- Commercial development costs **-** All costs associated with the construction or rehabilitation of space within a development that will be used for non-residential purposes such as offices or other commercial uses. This does not include the common area used by tenants of rental property or the leasing office of the apartment manager. HOME awards cannot be used to underwrite any portion of commercial development costs. The expenses incurred and income to be generated from commercial space must be reported in a separate "Annual Expense Information" sheet and 15-year proforma.
- Costs associated with any financial audit of the recipient.
- Costs associated with preparing an application for funding through IHCDA
- Cost of supportive services
- General operating expenses or operating subsidies
- Loan guarantees
- Mortgage default/delinquency correction or avoidance
- Providing tenant based rental assistance
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Purchase or installation of luxury items, such as swimming pools or hot tubs

5.5 Program Income / CHDO Proceeds

Income generated by CHDOs acting as owners, sponsors or developers of HOME units may be retained by the CHDOs but it must be used for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, funds recaptured because housing no longer meets affordability requirements are not considered CHDO proceeds, are subject to the requirements of 24 CFR 92.503(b) and must be returned to IHCDA.

Additionally, all legal documents, such as mortgages, security agreements, UCC financing statements, and liens executed by the IHCDA recipient, beneficiary, or subrecipient receiving assistance, must be recorded at the county recorder's office. These documents must be submitted to IHCDA at closeout along with the IHCDA recipient's completion reports and will be reviewed during monitoring visits conducted by IHCDA staff.

Part 6: Homebuyer Requirements

6.1 Eligible Beneficiaries

Each household must have an annual income equal to or less than 80% of the area median family income (adjusted for household size) at the time the contract to purchase the home is signed. The Part 5 definition of household income applies. See the CDBG, HOME and HTF Program Manual for instructions on calculating and verifying household income. Households must also meet the definition of "low-income families" at 24 CFR 92.2 which limits occupancy based on certain student status rules.

To be eligible for homebuyer activities, the prospective purchaser beneficiary must be low-income and must occupy the property as a principal residence upon purchase.

The purchasing household must be low-income at either:

- In the case of a contract to purchase existing housing, at the time of purchase; or
- In the case of a contract to purchase housing to be constructed, at the time the contract is signed.

Recipients are required to identify and prequalify homebuyers prior to acquiring and beginning construction on the HOME-assisted units; however, HOME-assisted units are not considered completed until occupied by an income eligible homebuyer. The Developer Fee cannot be claimed until the unit is occupied by an eligible applicant, and the paperwork is submitted and approved by IHCDA staff.

Any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within nine months of completion of construction or rehabilitation (meaning all necessary title transfer requirements and construction work has been performed and the housing unit complies with the property standards as evidenced by a final inspection) must be converted to a HOME-assisted rental unit subject to all compliance requirements of HOME-assisted rental housing in accordance with 24 CFR 92.252

6.2 Homebuyer New Construction Provisions

All new construction homebuyer units must meet the "visitability" standard (see below). In addition, all units shall be made accessible upon the request of the prospective buyer.

Visitability is defined as design concepts that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. There are three specific design elements that must be incorporated to satisfy the visitability mandate:

- Each unit must contain at least one zero-step entrance on an accessible route. This can be any entrance to the unit;
- All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width; and
- Each unit must contain at least one half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11.

6.3 Homebuyer Rehabilitation Provisions

Applicants also performing rehabilitation on the housing in this activity must purchase:

- Homebuyer residential units, or
- Rental units that have been vacant for three or more months.

See the IHCDA's Program Manual for further guidance.

6.4 Underwriting Standards

Applicants must evaluate housing debt and overall debt of the family, the appropriateness of the HOME assistance, the monthly expenses of the family, the assets available to acquire the housing and the financial resources to sustain ownership.

In addition to the subsidy layering pro-forma, the applicant must submit the HOME Homebuyer Underwriting tool at set-up for each the household analysis to ensure eligibility. Applicants must complete the Buyer Prequalification tab of the tool for each household applying for HOME financing through this program. Applicants must resubmit to IHCDA an updated tool if there are changes in the targeted household.

To determine the appropriate amount of the fair market value reduction, the applicant and IHCDA must evaluate the income of the persons who have an ownership interest in the property. **Please note that this process is different than the Part 5 income qualification, which must be calculated first to determine initial eligibility.** To underwrite those who have an ownership interest the following adjustments must occur:

- The income of adults who will not have an ownership interest in the property will be excluded. For example, in a circumstance where an elderly parent is part of the household but is neither being listed on title to the property nor included on the loan documents, that individual's income will not be included in calculations of the income available to make the mortgage payment.

  However, this exclusion for "non-purchasing" adults is not intended to artificially exclude the income of a household member with marginal credit. In the case of married couples, the income of both spouses will always be included for underwriting purposes.

- Significant sources of income such as social security benefits, child support payments, or the like that will not continue for three (3) years will be excluded. For example, while child support received for a 16 ½ year old is included in the Part 5 definition of income because it will continue over the upcoming 12 months, the source of income will cease in about a year and a half when the child turns 18 and should not be counted on in sizing the buyer's mortgage.

- Any imputed income from assets will be excluded for underwriting purposes

This analysis must be based on the borrower's payment for a minimum of a 20 year mortgage. The analysis includes:

- The affordable payment (principal, interest, taxes, insurance, and utilities) must have a front-end ratio of 29% of gross income.
- Applicants should not allow a mortgage payment that exceeds the back-end affordable payment ratio calculated at 41% of gross monthly income.
- The back-end ratio should include PITI and other fees, car loans, student loans and credit cards if those payments are expected to occur throughout the period of affordability.

In accordance with 92.254(f)(l), homebuyers recurring monthly expenses must be evaluated. The applicant is required to assess the effect of other substantial monthly living expenses on a borrower's ability to repay a mortgage. For example, fixed monthly living expense such as utilizes and costs for transportation to work are essential expenses that reduce the amount of income available to the homebuyer for the payment of the mortgage and other associated housing costs.

- If the activity is for new construction, at least $50 per month must be budgeted for property taxes, unless documentation is provided that indicates that taxes will be lower than this amount.
- Applicants must include an utility allowance (to be estimated at between $125-$200 per month), unless documentation is provided that indicates utilities will be lower than this amount.
- The applicant must calculate residual income by deducting from gross monthly income the recurring monthly expenses outlined above (taxes, utilities, loan payments if applicable etc), additional projected housing expenses, and any other monthly debt obligations.

Prior to closing on the HOME-assisted property, the grantee must re-submit the HOME Homebuyer Household workbook with the Final Underwriting tab filled out. Through underwriting the applicant must also include an examination of the homebuyer's assets or cash reserves.

IHCDA requires the Homebuyer contribute a minimum of $250 toward the purchase price of the home.

The homeowner must also must have adequate cash reserves to pay for unanticipated emergencies. IHCDA requires two-four months of cash reserves. These reserves may be from savings, checking, money market or other non-retirement accounts, which that after closing there are financial resources of at least two times the total monthly housing expense, including principal, interest, taxes, and insurance.

IHCDA may consider waivers to the homebuyer underwriting on a case-by-case basis on the front end ratio, back end ratio, reoccurring monthly expenses and cash reserves.

The applicant may not provide a uniform amount of assistance to each homebuyer irrespective of income, assets or other circumstances. Each household must be independently evaluated. IHCDA must finalize an approval of an eligible household purchasing a HOME unit prior to the signing of the ratified sales contract.

6.5 Lending Standards

HOME assisted homebuyers must be protected from risky mortgage features that may threaten the long-term sustainability of the mortgage. IHCDA is required to review each primary mortgage to secure the loan is sustainable to the low-income population to be served. Those features include:

- The mortgage cannot exceed a 30 year term, and must require periodic payments without risky features and terms such as negative amortization, interest-only periods and balloon payments.
- Lender fees and points are restricted to a percentage of the loan amounts.
- The Consumer Financial Protection Bureau's Qualified Mortgage standards defined "higher priced" loans as first mortgages with interest rates more than 1.5% above the "average prime offer rate" reported by the Federal Financial Institutions Examinations Council.
- Adjustable rate mortgage productions are not allowed under this policy, buyers may only obtain fixed rate loans.
- The purchaser must be qualified by their lender to spend at least 20% of their monthly gross income on housing. Lenders often qualify borrowers to spend between 28-33% of monthly gross income, so buyers qualifying only at payment levels below 20% of income usually have high consumer debt which increases both subsidy costs and the likelihood for foreclosure later.
    - Note, this criterion is not intended to eliminate buyers whose loan is limited by the lender's loan-to-value ratio resulting in a monthly payment less than 20% of income.

The primary mortgage, and final underwriting must be submitted to IHCDA for final approval prior to closing. IHCDA recommends grantees submit this information at least 14 days prior to closing to their Real Estate Production Analyst.

6.6 Homebuyer Counseling

The HOME regulations at 92.254(a)(3) require all homebuyers who receive HOME assistance or purchase units development with HOME funds must receive housing counseling. In a final rule published by HUD's Office of Housing Counseling, HUD established housing counseling certification requirements provided in connection with a HUD program. All adult household members who will hold title and be a party to the senior loan are required to complete homebuyer counseling.

Under the rule, all homebuyers assisted under the HOME program must receiving housing counseling that is performed by a certified housing counselor who has passed the HUD certification examination **and** is employed by a HUD-approved housing counseling agency.

The Housing Counseling must be independent, expert advice customized to the need of the consumer to address the consumer's housing barriers and to help achieve their housing goals and must, at a minimum include the following process:

- Intake
- Financial and housing affordability analysis
- An Action Plan
- Reasonable effort to have following up communication with the client when possible.

The content and process of housing counseling must meet the standards outlined in 24 CFR part 214. The counseling **must be individualized** to the specific potential homebuyer. The counseling must address all homeownership topics relevant to the client, including:

- The decision to purchase a home;
- The selection and purchase of a home;
- Issues arising during and affecting the period of ownership of a home (including financial, refinancing, default, and foreclosure and other financial decisions);
- The sale or other disposition of a home.

- In addition, the counselor must communicate on the importance of obtaining an independent home inspection using the materials available. All homebuyers must be given the two HUD brochures referenced below about the importance of home inspections. The recipient must ensure that each homebuyer signs a receipt acknowledging they were given these items. Both items may be accessed here: https://www.hudexchange.info/resource/4747/for-your-protection-get-a-home-inspection/

Eligible housing counseling is not services that provide only housing information, placement or referral services, routine administrative activities (such as intake), case management that provides housing series as incidental to a larger case management and does not fund housing counseling, fair housing advice and advocacy (such as filing claims), or group education without individualized services.

IHCDA will allow only pre-purchase counseling as eligible under this policy. The delivery method may be flexible (in-person, phone or the internet), but the counseling must be specific to the homebuyer. The counselor at a minimum must provide eight (8) hours of training. The certificate is valid for one year after completion of the training. The applicant, prior to entering into the sales contract, must submit documentation of the training to IHCDA for approval. If the pre-purchase training was not conducted, or approved by IHCDA at time of the signed sales contract, the grantee will be required to repay HOME funds to IHCDA.

The recipient may not charge servicing, origination, processing, inspection, or other fees for the costs of providing homeownership program assistance.

6.7 After Rehab/Construction Value, Appraisals and Purchase Price

Recipients will be required to provide an “after rehab” or “construction value” appraisal; whichever is appropriate, from a licensed appraiser for all property assisted with the award with the first draw that includes hard costs. If the applicant is acquiring property, an “as-is” appraisal is required with the first draw request for acquisition reimbursement. See IHCDA’s Program Manual for details.

According to 24 CFR 92.254(a)(2) in the case of acquisition of newly constructed housing or standard housing, the property must have a purchase price that does not exceed the Homeownership Values as determined by HUD.

For newly constructed housing, the value limits are 95% of the median purchase price for the area based on the Federal Housing Administration (FHA) single family mortgage program data for newly constructed housing. HUD has established a minimum limit, or floor, based on the 95% of the U.S. median purchase price for new construction.

For existing housing, the value limits are 95% of the median purchase price for the area based on Federal FHA single family mortgage program data for existing housing and other appropriate data that is available. HUD has established a minimum limit, or floor based on 95% of the state-wide nonmetropolitan area median purchase price for existing housing.

HUD released both sets of limits effective April 1, 2018. IHCDA will send out a RED notice when the 2019 limits are available. Please contact your regional analyst if you have questions regarding the limit or are unable to access the limits. The limits by be accessed from HUD here: https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/

It is important to note that while these are the maximum limits, the amount may not be affordable to a potential HOME-buyer. IHCDA, through its underwriting as defined in the earlier section, may deny the final sales contract if the purchase price (even reduced) is determined to be higher than the homebuyer may safely afford.

The HOME-assisted housing unit must be occupied as the homebuyer's principal residence throughout the affordability period.

6.8 Affordability Periods and Resale/Recapture Requirements

All homebuyer developments are subject to an affordability period as defined in Part 3.4 of this document.

The recipient must implement resale or recapture provisions through a recorded lien and restrictive covenant agreement as described in Parts 3.5 and 3.6 of this document.

6.9 Market Assessment Guidelines for Homebuyer Projects

The following market assessment guidelines must be followed for any homebuyer development. The numbers submitted should accurately reflect the market feasibility of the proposed activity.

COMMUNITY CONDITIONS – Evaluate general demographic, economic and housing conditions in the community.

MARKET AREA – Describe the market area from which the majority of the development's homebuyers are likely to come and provide a map with a scale. Describe how the market area was determined to be appropriate for the development.

SOCIOECONOMIC PROFILE AND TRENDS – Describe the trends in population and households by age and income and estimate the number of eligible homebuyers for the development.

POOL OF ELIGIBLE BUYERS - Quantify the pool of eligible buyers in terms of household size, age, income, tenure (homeowner or rental) and other relevant factors.

CAPTURE RATE AND ABSORPTION PERIOD – Provide an estimate of the capture rate for the development (project's units divided by the number of eligible homebuyers from the market area), and estimate the absorption period to ensure the sale of all units within nine months of construction completion.

HOUSING OPPORTUNITIES – Analyze the competition by evaluating other housing opportunities with an emphasis on other affordable sales opportunities in the market area, including those financed through either the HOME program or other federal programs. Describe the demand for the units to be developed.

DEVELOPMENT SITE DESCRIPTION – Explain how the site is adequate in size, exposure, and contour to accommodate the number and type of units proposed. In addition, describe whether there are adequate utilities (water, sewer, gas, and electricity) to accommodate the development.

Part 7: Completeness & Threshold Requirements

Each proposed development must satisfy the Federal requirements of the HOME program and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

7.1 Completeness Requirements

- Timeliness – All documentation must be turned in by the application due date.
  - On or before the application deadline, the applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HOME Application Form.
  - If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
  - Any forms that are late will be denied review and will be sent back to the applicant.
- Responsiveness – All questions must be answered and all supporting documentation must be provided.
  - The applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HOME Application Forms.
  - The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
  - Required signatures must be originally signed.

7.2 Threshold Requirements

Completeness	Location
Application and Supporting Documents • Submit two copies of fully-completed HOME Homebuyer application, one as an Excel file and one as a searchable PDF. • Submit all required supporting documents via the IHCDA Syncplicity Site. Mail one complete original copy of the signed application and the signed Environmental Review Record (ERR) to IHCDA by the application deadline. Do not submit paper copies of any other supporting documents.	Uploaded to OneDrive site and mailed to IHCDA
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 2.2, submit a preliminary commitment of HOME funds from the participating jurisdiction for the project for which the applicant is applying for IHCDA funding.	Tab L_Financial Commitments
SAM Registration • Submit a copy of the applicant's System of Award Management (SAM) registration. https://www.sam.gov/portal/SAM/#1	Tab A_SAM Registration

Debarment Information • Submit a copy of the debarment information for each development team entity identified in the application.	Tab B_Debarment
Grievance Procedures • Submit applicant's Grievance Procedures. Grievance Procedures must address (1) how grievances will be submitted, (2) who will review them, (3) timeframe for the review, and (4) the appeal process.	Tab C_Grievance Procedures
Market Need • HUD requires that IHCDA certify that there is adequate need for each home based on the neighborhood's housing market. In order to help make this determination please answer all of the questions in the Market narrative in the application. Attach any relevant support material such as market studies, planning documents, and maps.	Tab D_Market Need
Home-Assisted Households at or Below 80% AMI • Commit to assisting households at or below 80% of the area median income for the county.	Application
Not-for-Profit Applicant Documentation (if applicable) • Submit an IRS determination letter for 501(c)3 status. • Provide a copy of the Certificate of Existence from the Indiana Secretary of State to provide proof that the organization is in good standing.	Tab E_Not-for-Profit
Audited Financial Statements • Submit the most recent copy of the applicant's audited financial statements. If the organization is not required to have an audited financial statement, submit a compilation report prepared by a third party OR the organization's most current year-end financials.	Tab F_Capacity
Current Year-to-Date Financials Submit current year-to-date financials for the applicant. This should include the balance sheet, income statement, and cash flow.	Tab F_Capacity
Owner Authorization (if applicable) • If the applicant is different from the owner of the development, provide a letter from the owner authorizing the applicant to apply for funding for the owner's property.	Tab H_Notifications

Administrator Documentation (if applicable)
• If the applicant has hired an administrator to administer the award, please provide documentation demonstrating that the administrator has been properly procured using the Competitive Negotiation (RFP) Procedure.
  • Submit a copy of the Request for Proposals (RFP).
  • Submit the published advertisement that was put in a general circulation newspaper for the RFP.
  • Submit a copy of the signed contract between applicant and administrator.
	Tab I_Administrator

<table>
<tr><td>Previous HUD or USDA-RD Funding
If development received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development Office and provide proof of sending.</td><td>Tab H_Notifications</td></tr>
<tr><td>Homebuyer Identification
All homebuyers must be identified prior to application. Completion of homebuyer counseling is not required at time of application. Potential homebuyers are encouraged to be pre-qualified at time of application. Submit the Client Intake Form identifying each income eligible homebuyer. Prior to the sales contract, the grantee will be required to submit the final underwriting to IHCDA for approval.
Submit the HOME Homebuyer Household workbook for each unit, with the Buyer Pre-Qualification tab completed.
Please note, any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within nine months of completion of construction or rehabilitation (meaning all necessary title transfer requirements and construction work has been performed and the housing unit complies with the property standards as evidenced by a final inspection) must be converted to a HOME-assisted rental unit subject to all compliance requirements of HOME-assisted rental housing.</td><td>Tab J_Homebuyer Identification</td></tr>
<tr><td>Visitability Mandate
Any development involving the new construction of single family homes, duplexes, triplexes, or townhomes must meet the following visitability mandate.
Visitability is defined as design concepts that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. There are three specific design elements that must be incorporated to satisfy the visitability mandate:
Each unit must contain at least one zero-step entrance on an accessible route. This can be any entrance to the unit;
All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width;
Each unit must contain at least one half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11.</td><td>Application</td></tr>
<tr><td>Site Map and Photos
Submit a clear, colored, site map
Submit clear, colored site photos including views from all cardinal directions.</td><td>Tab K_Site Map</td></tr>
</table>

Architect License • If the Development Team includes an architect, provide the license number for the individual identified in the Development Team section of the HOME Application Form. If the architect is licensed via reciprocity, please identify the state in which the architect's license was issued.	Application
Title Search • Submit evidence of clear title with a title insurance commitment, title search documentation, or an attorney's opinion letter.	Tab L_Readiness
Construction Cost Estimate • Submit detailed construction cost estimate for the development. Please include this for the project, and for each proposed unit.	Tab L_Readiness
Site Control • Submit a purchase option or purchase agreement that expires no less than 30 days subsequent to the award announcement date.	Tab L_Readiness
Unit Plans • Submit unit plans that include the square footage for each type of unit.	Tab L_Readiness
Environmental Review • Submit completed environmental review forms. Instructions and forms can be found in Chapter 11 of the IHCDA CDBG & HOME Program Manual. • 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 funding). **HUD 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.	Tab M_Environmental Review
Affirmative Fair Marketing Plan (if applicable) • In accordance with 24 CFR 200.620 and 24 CFR 92.351 (a), the recipient must adopt an Affirmative Fair Housing Marketing Plan for rental and homebuyer developments containing five or more HOME-assisted housing units. Submit form HUD 935.2A.	Tab N_Fair Housing
Development Fund • Developments requesting a Development Fund loan must designate at least 50% of the Development Fund-assisted units for households at or below 50% AMI with the remaining Development Fund-assisted units designated for households at or below 80% AMI.	Application
Funding Committed Prior to Application • All other development funding, including AHP funds, must be committed prior to submitting an application for HOME funding to IHCDA. Please complete the sources and uses tab in the application. • If the project is utilizing funding committed more than one year prior to the application due date please provide a letter confirming that the funds are still available and accessible to the applicant.	Application

Letters of Commitment • Submit signed letters of commitment for all funding sources with funding terms and amounts. This includes Deferred Developer Fee.	Tab O_Financial Commitments
CHDO Operating Supplement • If applying for a CHDO Operating Supplement, fill out Section F of the Sources and Uses tab and the CHDO Operating Supplement tab in the Application Forms.	Application
Homebuyer Proforma • Complete Homebuyer Unit Pro-Forma and Budget workbook.	Tab G_Pro-Forma

Match Requirement
• The match requirement for the HOME program is 25% of the total amount of HOME funds requested minus administration costs and environmental review costs. Match must be committed prior to submitting an application for HOME funding to IHCDA.
  ○ Submit the relevant sections of the Match Spreadsheet.
  ○ Submit letters of commitment for each source of Match.
	Tab O_Financial Commitments

Appraisals • If any portion of HOME funds are being used for acquisition, the cost of acquisition will be calculated based upon the lesser of the actual amount paid for the building or the appraised fair market value. Applicants must submit a fair market appraisal (completed by a qualified appraiser) completed no earlier than six months from the application deadline. The appraisal must be at a minimum an "As Is" appraisal and must adhere to the Uniform Standards of Professional Appraisal Practice. A statement to this effect must be included in the report.	Tab I_Readiness
Universal Design Features • Applicants must adopt a minimum of two universal design features from each section listed on the Universal Design Features Form. The Universal Design Features Form can be found using the "Additional Forms" link on the IHCDA HOME Program website: http://www.in.gov/myihcda/home.htm. • Features found in Section A are regarded as being of high cost and/or high burden of inclusion to the development. Features found in Section B are regarded as being of moderate cost and/or moderate burden of inclusion to the development. Features found in Section C are regarded as being of low cost and/or low burden of inclusion to the development. Applicants must identify which features they will be undertaking on the Universal Design Form. Changes to these selections will require submittal of a formal modification request to IHCDA.	Tab Q_Development Features

Universal Design Features		
Column A	**Column B**	**Column C**
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 corners 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

Detectable Warnings at curb cuts throughout the development in accordance with 2009 ICC A117.1 Sections 406.13 and 705	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	All wall reinforcements for a second handrail at stairways in each unit	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"	Levers hardware doors intended for user passage in each unit
A fixed or fold down seat in the shower or a bathtub with a seat in at least one bathroom of 10% of the units	Kitchen Faucet with pull out spout in lieu of side mount sprayer in each unit	Electric outlets raised 15" minimum above the finished floor in each unit. Dedicated outlets and floor outlets are not required to comply with this section
Grab bars in bathroom and shower in 10% of the units (1st 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
		Mailboxes located between 24"-48" above the ground

Part 8: Scoring

If an application meets all applicable requirements, it will be evaluated and scored based on:

Scoring Category	Points Possible
Development Characteristics	22
Development Features	25
Readiness	8
Capacity	27
Leveraging of Other Sources	6
Bonus	5
Total Possible Points	**93**

When there is a scoring criteria based on the county being served and there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number. An application must score at least **47 points** to be considered for funding.

8.1 Development Characteristics — Category Maximum Points Possible: 22

This scoring category describes the proposed project. The points can be achieved through the following sub-categories: Mixed Income Housing, Targeted Population, Opportunity Index and Health and Qualify of Life Index.

1*). Targeted Population* — *Maximum Number of Points: 4*

Points will be awarded to applicants of which 25% or more units target one or more of the following designations:

- Single parent households
- Victims of domestic violence
- Families with children age six and under
- Veterans (as defined in the IHCDA HOME Homebuyer Policy)

2). Opportunity Index — *Maximum Number of Points: 10*

Applicants may earn up to 10 points (with two points for each feature) for developments located within areas of opportunity.

- **Public Transportation** (2 points): Points will be awarded to developments located within a mile of a public transit station or bus stop. For communities with a population of 14,999 or less, point-to-point transportation is eligible as long as it is provided by a public or not-for-profit organization. . Taxis, Uber, or other ride-sharing programs are not eligible for points. For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

In order to receive points for this scoring subcategory, the applicant must submit a map in **Tab P_Project Characteristics** including:

- Specific development location,
- Transit station or bus stop location, and
- A mile radius drawn with each qualify unit labeled.

- **Unemployment Rate** (2 points): Points will be awarded to developments located within a county that has an unemployment rate below the state average. (http://opportunityindex.org/). For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- **Job Growth** (2 points): Points will be awarded to developments located within a county that has a 12 month change in employment percentage in the top half of the state using the Department of Labor's Quarterly Census of Employment and Wages as listed on https://beta.bls.gov/maps/cew/us. For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- **Employer Proximity** (2 points): Points will be awarded to developments located within five miles of at least one of a county's top 10 employers. County employer data can be found at http://www.hoosierdata.in.gov/buslookup/BusLookup.aspx. For scattered site development, at least 50% of the proposed units must meet this requirement to be eligible for points.

  In order to receive points for this scoring subcategory, the applicant must submit a map in Tab P_Project Characteristics including:
  i. Specific development location;
  ii. The location of the qualifying employer(s)
  iii. A five mile radius drawn from the project location.

- **Poverty Rate** (2 points): Points will be awarded to developments located within a county that has a poverty rate below the state average (http://opportunityindex.org/). For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- **County Median Household Income** (2 points): Points will be awarded to developments located within a county that has a median household income above the state average (http://opportunityindex.org/). For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- **Census Tract Income Level** (2 points): Points will be awarded to applicants proposing developments located in higher income neighborhoods compared to surrounding areas. Points will be determined according to the Federal Financial Institutions Examination Council's (FFIEC) income level of its census tract. Find the census tract income level by entering the project address at the FFIEC website (https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx) and clicking "Census

Demographic Data" below the matched address. For scattered site developments, points will be averaged according to the number of units within each income level.

FFIEC Income Level	Points
Upper	2
Middle	1
Moderate	.5
Low	0

3) *Health and Quality of Life Factors* *Maximum Number of Points: 8*

Applicants may earn up to 8 points for developments located in counties with high health outcomes or in areas in close proximity to fresh produce and other positive land uses.

- **Health Factors** (2 points): Points will be awarded to developments located within a county that has a ratio of population to primary care physicians of 2,000:1 or lower. http://www.countyhealthrankings.org/app/indiana/2017/measure/factors/4/data) (For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- **Fresh Produce** (2 points): Points will be awarded to applicants proposing developments located within two miles of a supermarket or grocery store with fresh produce. For scattered site developments, at least 50% of the proposed homes must meet this requirement to be eligible for points.

  Stores with fresh produce must:
  - Be currently established;
  - Have a physical location; and
  - Have regular business hours.

  Staff will independently verify that the location meets the above requirements. As part of the clarification process, the applicant may be required to provide additional information. For the purposes of this scoring subcategory, farmers' markets, produce stands, gas stations, convenience stores, and drug stores do not qualify.

  In order to receive points for this scoring subcategory, the applicant must submit a map in **Tab P_Project Characteristics** including:
  - Specific development location;
  - Store or market location; and
  - A mile radius drawn from the fresh produce location(s) with each qualifying scattered site labeled.

- **Proximity to Positive Land Uses** (4 points): Points will be awarded to applicants proposing developments located within three miles of the locations listed in the table below. A maximum of four points is available in this category. For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

Site	Points
Community or recreation center	1 point
Park or public greenspace	1 point
Primary care physician or urgent care facility	1 point
Pharmacy	1 point
Sidewalks or Trails	1 point
Clothing, department store	.5 point
Bank	.5 point
International or ethnic food market	.5 point
Education facility	.5 point
Licensed child care facility	.5 point
Social service center	.5 point
Government office (i.e. town hall, trustee's office)	.5 point
Post Office	.5 point
Public Library	.5 point
Cultural arts facility	.5 point

In order to receive points for this scoring subcategory, the applicant must submit a map in Tab P_Project Characteristics including:

i. Specific development location;
ii. The location of the qualifying site(s)
iii. A three mile radius drawn from the project location.

8.2 Development Features — Category Maximum Points Possible: 25

This category describes the features of the overall proposed HOME project.

1) *Infill New Construction* — *Maximum Number of Points:* 5

Points will be awarded to demolition and new construction developments that meet IHCDA's HOME criteria for infill. For the HOME program, IHCDA 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. At least two sides of the project must be adjacent to occupied residential development, operating commercial development, active public space, or another active community activity.

For purposes of this category, the following will not qualify as infill housing:

- Existing agricultural land,
- Land where agriculture was the last use and it was within the last 5 years except within corporate limits, or
- Existing structures that will be rehabilitated.

In order to receive points, the applicant must submit in **Tab Q_Development Features:**

- Aerial photos of the proposed site(s) with the site labeled;

- For scattered site projects, all of the proposed development sites must meet the infill attribute scoring criteria to receive points.

2) *Provision of Additional Bedrooms* *Maximum Number of Points:* 5

Points will be awarded to developments where at least 30% of the HOME assisted units contain three or more bedrooms.

In order to receive points, the applicant must submit in **Tab Q_Development Features:**

- Preliminary floor plans that clearly identify the units with three or more bedrooms.

3) *Design Features* *Maximum Number of Points:* 5

Points will be awarded for each design feature chosen, for a maximum of five points in this category.

Design Feature	Points
Exterior walls are at least 50% durable material (brick, stone, or cement board)	1
Includes LED lighting	1
Roofing system has at least a 30-year warranty (must provide supporting documentation from the manufacturer to qualify)	1
Porch with a minimum of 48 square feet with a roof that is permanently attached to the residence	1
Deck or patio with a minimum of 64 square feet that is made of wood or other approved materials	1
Framing consists of 2” X 6” studs to allow for higher R-Value insulation in walls	1
Garage with a minimum of 200 square feet that is made of approved materials, has a roof, is enclosed on all sides and has at least one door for vehicle access	2
Crawl space or basement	2
Security system	2
Carport with a minimum of 200 square feet that is made of approved materials, has a roof, and is open on at least two sides	1
Attached or unattached storage space measuring at least 5' x 6' (not a mechanical closet)	1
Playground	1
Community room	1

4) *Universal Design Features* *Maximum Number of Points:* 5

Points will be awarded for applicants that propose developments that go beyond the minimum universal design features threshold requirements. Please refer to the Universal Design Features

Form for a list of all qualifying features. This form can be found using the "Additional Forms" link on the IHCDA HOME Program website: http://www.in.gov/myihcda/home.htm.

The applicant will be required to submit the Universal Design Features Form identifying all features to which the applicant has committed. Changes to these selections will require submittal of a formal modification request to IHCDA. The applicant will be awarded points as follows:

Number of Universal Design Features in Each Column	Points
5	5
4	4
3	3

5) *Green Building* *Maximum Number of Points:* 5

Up to five points will be awarded for the green building techniques listed below. The signed application forms will be proof of these commitments.

Green Building Technique	Points
Orient structures on East/West axis for solar exposure	1
Include new trees in landscaping to curb winter winds and provide shade	1
Low VOC paints and finish materials	1
Install flow reducers in faucets and showers	1
Minimize the disruption of existing plants and trees	1
Include recycling bins in the kitchen	1
Install recycled content flooring and underlayment	1
Install a light colored roofing material	1
Low flow toilets or dual flush toilets	1
R-Value insulation exceeding Indiana State Building Code	1
Recycle deconstructed building material	1
Incorporate permeable paving	2
Install high-efficiency, tank-less water heaters	2
Use on-site solar energy to reduce resident utility costs	2

8.3 Readiness — Category Maximum Points Possible: 8

This category describes the applicant's ability to begin and timely execute an awarded project.

1) *Predevelopment Activities* *Maximum Number of Points:* *5*

Points will be awarded to applicants that have completed some predevelopment activities according to the chart below. Applicants are eligible to receive up to five points. Points will only be awarded if the required supporting documentation, italicized below the activity description, is included in **Tab L_Readiness.**

For scattered site developments, documentation for each site must be submitted in order to receive the points. Documents should be clearly labeled with the site addresses for ease in reviewing the documentation.

Predevelopment Activity Completed	Points
Asbestos Testing *Submit a copy of the assessment report.*	1
Lead Testing *Submit a copy of the assessment report.*	1
Appraisal *Provide an appraisal that is no older than 6 months.*	1
Preliminary Design Plans *Provide electronic copies of architectural and/or engineering plans.*	1
Property Survey *Provide an electronic copy of the property survey.*	1
Structural Needs Report *Provide a copy of the report performed by a licensed professional.*	1
CHDO Predevelopment Loan *Applicants that fully utilized a CHDO Predevelopment Loan for the current HOME application are eligible for one point.* *•The CHDO Predevelopment Loan must have been approved by the IHCDA Board of Directors at least 30 days prior to the HOME application due date.* *•The applicant may not have more than five currently open or pending CHDO Predevelopment Loans, including all loans submitted as part of the current HOME funding round.* *•If the applicant received points in this category in the most recent HOME funding round prior to the current round, the applicant must have expended at least 25% of each CHDO Predevelopment Loan that qualified for points in that round*	1
Comprehensive Community Plan *Provide a copy of ONE plan for each jurisdiction that meets all of the following criteria:* • *Specific references to the creation of or need for housing* • *No older than 15 years* • *Public participation and narrative about efforts leading to the creation of the plan* • *A target area map with the proposed development sites labeled* • *Resolution showing adoption by the highest local unit of government*	2

2) *Contractor Solicitation & Participation* *Maximum Number of Points:* 3

Contractor Solicitation & Participation	Points
Invite Material Participation in the Proposed Development by Indiana MBE/WBE/DBE/VOSB/SDVOSB contractors	1
Development Team Member is an Indiana MBE/WBE/DBE/VOSB entity	2

One point will be awarded to applicants who invite material participation in the proposed development by Indiana contractors. To qualify for these points, a minimum of five letters inviting contractors to participate in the bidding of the project must be sent, with at least one of these letters going to state certified Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Federal Disadvantaged Business Enterprises (DBE), Veteran- Owned Small Businesses (VOSB), and/or Service Disable Veteran Owned Small Businesses (SDVOSB).

An additional two points will be available to applicants with an Indiana MBE/WBE/DBE/VOSB/SDVOSB entity serving as a formal member of the project's development team. An applicant that is certified as an Indiana MBE/WBE/DBE/VOSB/SDVOSB is also eligible for points in this category.

In order to receive points for contractor solicitation, the applicant must submit in **Tab I_Readiness**

- A copy of the letter sent to *each* contractor inviting participation in the bidding of the project,
- Evidence of receipt of invitation, either by certified mail or e-mail read receipt, by at least five contractors, and
- A copy or print out from the State's certification list clearly indicating that at least one of the contractors solicited meet the MBE/WBE/DBE/VOSB/SDVOSB status requirement.

In order to receive points for having an Indiana MBE/WBE/DBE/VOSB/SDVOSB development team member:

- The qualifying development team member must be listed in the Development Team Member section of the IHCDA HOME Rental Application;
- A letter of intent to participate in the project must be submitted by the qualifying development team member in **Tab I_Readiness.** If the qualifying development team member is the applicant, this letter of intent is not required.
- A copy or print out from the State's certification list clearly indicating that the qualifying development team member meets the MBE/WBE/DBE/VOSB/SDVOSB status requirement.

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://midstatesmsdc.org/

WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2576.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/

8.4 Capacity *Category Maximum Points Possible: 27*

This category evaluates the applicant's ability to successfully carry out the proposed project based on certifications and/or experience in affordable housing development. **Please note that the Overall Performance of Applicant, Administrator Experience, and Applicants with Non-IHCDA Experience categories are mutually exclusive. Applicants may not mix and match entities in order to maximize points (e.g. an applicant with an administrator may not use the applicant experience to earn points in the Overall Performance of Applicant category while using administrator experience to earn points in the Timely Expenditure of Funds and Inspection Performance category).** The following table lists the eligibility by entity for each scoring category:

Entity (All Experience Must Be Within Five Years of Application Due Date)	Certifications	Overall Performance of Applicant	Administrator Experience	Timely Expenditure of Funds	Inspection Performance	Applicants with Non-IHCDA Experience	CHDO Certification
Applicant w/ IHCDA Experience	Eligible	Eligible	Ineligible	Eligible	Eligible	Ineligible	Eligible
Applicant w/ No IHCDA Experience	Eligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Eligible
Administrator w/ IHCDA Experience	Eligible	Ineligible	Eligible	Eligible	Eligible	Ineligible	Ineligible
Administrator w/ No IHCDA Experience	Eligible	Ineligible	Ineligible	Ineligible	Ineligible	Eligible	Ineligible

1) *Certifications* *Maximum Number of Points: 3*

Points will be awarded for a member of the development team, property management team, applicant, and/or administrator staff who has completed the following certifications. Three points will be awarded for the completion of two of the six certifications listed below. The completion of only one of the certifications below will receive two points. If two staff members hold the same certification, points will be awarded for two certifications.

If you do not see a certification you have received on the list that you believe would be relevant, please consult with your Real Estate Production Analyst at least one week prior to the application due date to request that it be eligible for points.

Required IHCDA Compliance Trainings, IHCDA application and policy webinars, IHCDA application and policy trainings, and IHCDA feedback sessions are not eligible for points in this category.

Attach copies of the certification completion in **Tab F_Capacity**.

Certification	Sponsoring Organization
CHDO Capacity Building Certification (Must have attended all webinars in either 2016 or 2017)	Indiana Housing and Community Development Authority (IHCDA)/HPG Network
Project Development Training	Prosperity Indiana
Housing Development Finance Professional	National Development Council (NDC)
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis / Indiana Housing and Community Development Authority
Grant Administration Certification	Indiana Housing and Community Development Authority (IHCDA)
Certified HOME Program Specialist	HUD/CPD

2) *Overall IHCDA Award Performance of the Applicant* *Maximum Number of Points: 8*

Applicants with an IHCDA award monitored within the past five years may be eligible for points based on the applicant's overall performance. Only the most recently monitored award is eligible for points. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Applicants cannot qualify for points under both the New Administrator Experience and IHCDA Award Performance.

Description of Overall Award Performance	Points
Applicant's most recently monitored HOME award had no findings and no concerns.	8

Applicant's most recently monitored HOME award had no findings, but concerns were noted. **OR** No HOME experience, but **Applicant's** most recently monitored CDBG award had no findings and no concerns.	6
Applicant's most recently monitored HOME award had only one finding. **OR** No HOME experience, but **Applicant's** most recently monitored CDBG award had no findings but concerns were noted.	4
Most recently monitored HOME award had more than one finding and the close-out monitoring review letter was received within:	
• One Year or Less:	**0**
• Two Years to One Year and One Day:	**0.5**
• Three Years to Two Years and One Day:	**1**
• Four Years to Three Years and One Day:	**1.5**
• Five Years to Four Years and One Day:	**2**
The above timeframes will be determined using the HOME application due date. In order to receive points in this category, the applicant/administrator must submit a narrative describing how the identified findings were addressed and remedied. This narrative may be submitted in **Tab F_Capacity.**	
Does not meet any category above. Examples: • More than one finding on most recently monitored award. • Applicant has no experience with IHCDA within the past five years.	0

3) *Administrator Experience* *Maximum Number of Points:* *5*

Only applicants without an IHCDA award in the past five years that have properly procured an administrator with previous IHCDA HOME experience may receive points in this category. Five points will be awarded if the administrator has successful experience administering an IHCDA HOME award that has been monitored within the past five years. In order to qualify for points, the most recently monitored award must not have had any findings. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Experience	Points
Administrator's most recently monitored HOME award had no findings.	5

4) *Timely Expenditure of Funds* *Maximum Number of Points: 5*

Points will be awarded to an applicant or administrator that has expended their most recent IHCDA award (HOME or CDBG) funds by the award expiration date without requesting award extensions. The award must be from within the past five years. Please list the award number in the application forms.

Award Length	Points
Applicant or administrator's most recent IHCDA award (HOME or CDBG) completed by the award expiration date.	5

5) *IHCDA Award Inspection Performance of the Applicant* *Maximum Number of Points: 2*

Applicants or administrators with an IHCDA award inspected within the past five years may be eligible for points based on their IHCDA inspection results. Points will be awarded if zero building code issues were noted on their last monitored inspection of their most recent award.

6) *Applicants with Non-IHCDA Experience* *Maximum Number of Points: 3*

Applicants without previous IHCDA experience in the past five years that do not intend to hire an administrator may qualify for three points if they can demonstrate relevant prior experience working in affordable housing development within the past five years. In order to qualify for points in this category applicants must submit a narrative summarizing their previous experience. Supplemental documentation may be submitted as well, including, but not limited to, organizational and personal resumes, pictures and descriptions of previously completed projects, and testimonials from individuals and/or communities that the applicant previously partnered with or served. Points will be awarded at the discretion of IHCDA staff following the review of all documentation submitted.

The applicant narrative and any supporting documentation must be submitted in **Tab F_Capacity.**

Applicants that have previous IHCDA experience or that will be utilizing administrators are **NOT** eligible for points in this category.

7) *CHDO Certification* *Maximum Number of Points: 3*

An applicant that applies and is certified as a Community Housing Development Organization will receive three points.

8.5 Leveraging of Other Sources — Category Maximum Points Possible: 6

Points will be awarded to applicants whose proposed project has received a firm commitment to leverage other funding sources. A "firm commitment" means that the funding does not require any further approvals.

"Other Funding Sources" include (but are not limited to) private funding, funds from a local community foundation, volunteer labor, Federal Home Loan Bank funding, federal, state or local government funds, in-kind donations for labor or professional services, sweat equity, donated material and equipment. Labor, property, funds, or other sources of leveraging donated by the applicant to itself, or by a principal or investor in the development, are not eligible. Banked or shared match is not eligible.

Points will be awarded based on the Amount of Funding divided by the Total Development Costs:

Percentage of Total Development Costs	Points
.50% to 1.99%	1
2.00% to 3.99%	2
4.00% to 5.99%	3
6.00% to 7.99%	4
8.00% to 9.99%	5
Greater than 10%	6

To receive points in this category, the applicant must submit the following in **Tab O_Financial Commitments:**

- Provide a letter from the appropriate authorized official approving the funds. The letter must include a description of the type of approved funding for the proposed development and the amount of funding.
- In-Kind Donations – Labor or Professional Services: Submit commitment letter from donor(s) specifying number of hours they intend to donate and their professional service pay rate.
- In-Kind Donations – Sweat Equity: Submit a copy of sweat equity policy.
- In-Kind Donations – Donated Material and Equipment: Submit commitment letter from donor(s) specifying either the total value of the donated materials or the rental equipment rate and number of hours the equipment will be donated.

8.6 Bonus **Category Maximum Points Possible: 5**

1) Bonus *Maximum Number of Points: 5*

Points will be awarded to applications that are submitted according to IHCDA's submittal guidelines (see list below), and which pass Threshold with one or less technical errors or incomplete information.

To receive points in this category, the applicant must:

- Submit a searchable PDF of the application on the OneDrive site;
- Submit an Excel file of the application on the OneDrive site;
- Answer all questions in the policy and application;
- Submit all required threshold items in the correct tabs;
- Submit all required threshold items in the correct form (mailed and/or on the One Drivesite); and
- Label and include all tabs on the OneDrive site as described in the Application Policy. All tabs must be included regardless of whether documentation is required in each tab.

Part 9: Glossary of Terms

Below are definitions for commonly used terminology found throughout the IHCDA HOME application policy and forms and applicable to the IHCDA HOME program.

Administrator: A procured entity that will assist carrying out the HOME award.

Beneficiary: The household or unit that received homeowner repair work as a result of the HOME award.

CHDO: A Community Housing Development Organization. A non-profit, community- based organization with the capacity to develop affordable housing for the community it serves, as defined in the HOME rule and as certified by IHCDA. Participating Jurisdictions (IHCDA) must set aside a minimum of 15% of their HOME allocations for activities in which CHDOs are the owners, developers, and/or sponsors of the housing.

Clarification: A clarification is any question or concern IHCDA may have regarding an applicant, proposed development, or other issue that does not meet the definition of a technical correction, as defined below. The number of clarifications an applicant receives will not impact its score.

Comprehensive Community Development: Every community strives to be a place where people choose to live, work, and play. Comprehensive development means that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because of the unique synergy they generate. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. Comprehensive development marshals resources and deploys coordinated strategies in a concentrated area to create opportunities for others in the community to take prudent risks and reap the rewards. The demolition of blighted structures, the rehabilitation of long-vacant housing and the creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

Development: The HOME activity proposed in the application.

HOME: The Home Investment Partnerships Program as created by the National Affordable Housing Act of 1990.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for developments giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Large City: For purposes of this policy, a large city is defined as a city with a population of 75,000 or more. To qualify as being located within a large city, the development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

Median Income: A determination made through statistical methods establishing a middle point for determining income limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a document describing a bilateral or multilateral agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the development.

Rural: A development is considered to be rural if it meets one of the following criteria:

a. The development is located within the corporate limits of a city or town with a population of 14,999 or less; or

b. 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 this glossary; or

c. The development is located in an unincorporated area of a county whereas;

i. The development is outside the 2-mile jurisdiction of either a large city or small city as defined in this glossary; 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 this glossary.

Small City: For purposes of this policy, a small city is defined as a city with a population of between 15,000 and 74,999. To qualify as being located within a small city, the development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

Technical Correction: A technical correction occurs when an applicant does not provide sufficient information or documentation to meet the IHCDA HOME program threshold requirements as defined in section 7.2 of this policy. Technical Corrections may occur when the required information or documentation is not submitted or is vague or incomplete. IHCDA reserves the right to classify other application errors or omissions as technical corrections at its own discretion. Applicants that receive two or less technical corrections may receive bonus points as defined in the Bonus scoring section of this policy.

Veteran: A person who served in the active military, naval, or air service.

Visitability: Visitability is defined as design concepts that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. There are three (3) specific design elements that must be incorporated to satisfy the visitability mandate:

- Each unit must contain at least one (1) zero-step entrance on an accessible route. This can be any entrance to the unit;

- All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width; and
- Each unit must contain at least one (1) half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11.

Part 10: Development Fund

1.1 Overview

The Indiana Affordable Housing and Community Development Fund ("Development Fund") was established in 1989 to provide financing options for the creation of safe, decent, and affordable housing and for economic development projects in Indiana communities. Development Fund regulations may be found in Indiana Code 5-20-4. Developments also involving federal funding (e.g. HOME Investment Partnership Program or Community Development Block Grant), tax-exempt bonds, or Low-Income Housing Tax Credits ("LIHTC") must comply with the requirements of those programs.

The Development Fund provides a loan of up to $500,000 (or a grant in limited special circumstances) for eligible activities as defined within this policy.

For more detailed information on the Development Fund program please consult the Development Fund Manual.

1.2 How to Apply

Development Fund awards are approved through the IHCDA Development Fund Application or in conjunction with LIHTC applications through the Qualified Allocation Plan ("QAP"), HOME applications through the HOME funding round, or with CDBG applications through the CDBG funding round.

Development Fund requests in conjunction with other funding sources must be submitted in accordance with the application procedures and deadlines for those programs.

1.3 Eligible Applicants

Applicants eligible to apply in conjunction with a HOME application include nonprofit corporations and local units of government. IHCDA must allocate at least 50% of the fund to recognized nonprofit corporations under Section 501(c)(3) of the U.S. Internal Revenue Code.

Awardees with current Development Fund awards are eligible to apply for additional funding. All outstanding awards must be current (if loans), in compliance with all program requirements, and otherwise in good standing in order to be considered for additional awards. However, no individual project sponsor or its affiliates may hold more than 20% of the Development Fund's total portfolio at any one time.

Individuals or organizations currently on IHCDA's suspension or debarment list are not eligible to apply for Development Fund awards.

1.4 Eligible Beneficiaries

The Development Fund can be used to finance assisted units for occupancy by households earning up to 80% of the area median income, as published annually by HUD. Indiana Code governing the Development Fund requires at least 50% of the dollars allocated to be used to serve "very low-income households" (households earning less than 50% of the area median income). **Therefore, at least 50% of the Development Fund assisted units must be designated for households at or below 50% AMI, and the remaining Development Fund assisted units must be designated for households at or below 80% AMI.**

1.5 Eligible Residential Activities

Eligible HOME activities include, but are not limited to, acquisition, new construction, and/or rehabilitation of homes for sale, permanent rental units, and permanent supportive housing projects that have successfully completed the Indiana Supportive Housing Institute.

1.6 Eligible Activity Costs

For more information on eligible and ineligible activity costs please see §1.8 and §1.9 of the Development Fund Manual. Questions about eligible vs. ineligible soft costs under the Development Fund program can be directed to the IHCDA Underwriting and Closing Manager.

1.7 Match Requirements

Applicants for Development Fund must be able to document a local match in an amount of at least 10%. Acceptable match sources include in-kind donations, donated land, owner equity, building materials, loans, cash grants, or any combination of both in-kind and cash. Other sources of match may also qualify, **except for funds administered by IHCDA**.

1.8 Development Fund Activity Provisions

The Development Fund may provide loans or grants up to $500,000 per development. Development Fund grants will only be made in conjunction with special IHCDA initiatives as announced by IHCDA. Except for these special initiatives, IHCDA will only accept Development Fund applications for loans.

The Development Fund may be used for the following types of loans:

- Pre-development: to pay project pre-development expenses;
- Acquisition: to pay for purchase and closing costs for property acquisition;
- Construction: to pay for hard and soft costs of new construction and rehab projects;
- Permanent: to provide permanent financing to the project; and/or
- Bridge: financing to bridge the timing gap between project or program costs and cash from committed sources not yet available (equity).

Homebuyer projects are not eligible for permanent or bridge financing.

1.9 Loan Terms

The base interest rate for loans is 3%. The interest rate offered by IHCDA will be determined during underwriting. **Underwriting will start at 3% and make a final determination based on financial capacity. The final interest rate will not be less than 3%, but may exceed 3% based on capacity.**

1.10 Underwriting Guidelines

For more information on underwriting guidelines please see §2.4 of the Development Fund Manual. Questions about these guidelines can be directed to the IHCDA Underwriting and Closing Manager.

1.11 Affordability Period/Lien and Restrictive Covenants

Rental developments will be subject to a Lien and Restrictive Covenant Agreement that must be executed against every residential property constructed, rehabilitated, or acquired, in whole or in part, with Development Fund funds. If the award is made in conjunction with HOME or CDBG funding, the development will be subject to the applicable program affordability period.

Upon occurrence of any of the following events during the affordability period, the entire sum secured by the lien, without interest, shall be due and payable by developer and/or owner upon demand. Repayment may be demanded upon: (1) transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the affordability period; (2) commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the affordability period; or (3) determination that units are not being used as a residence by a qualifying tenant or not leased according to the program affordability requirements. The award recipient will be responsible for repaying IHCDA. At the end of the affordability period, if the borrower/recipient has met all conditions, the lien will be released.

1.12 Income and Rent Restrictions/Ongoing Compliance

All Development Fund-assisted units in residential developments must be income and rent restricted. If the award is made in conjunction with HOME funding or is Development Fund only, then the HOME program income and rent limits will apply. Developments with Development Fund combined with another program must follow the recertification requirements of that program.

When Development Fund is combined with other funding sources, the audit/inspection cycle will occur based on the cycle and frequency prescribed by that program.

1.13 Modifications

IHCDA may consider requests for changes to the characteristics of a development. **A modification fee of $500 will be imposed if loan documentation has been finalized. Additionally, a $1,500 fee will be required if any legal documents, such as the recorded Lien and Restrictive Covenant, need to be amended as a result of the request.**

Approval of modification requests is at the sole discretion of IHCDA. IHCDA must evaluate each request to see how the change would have affected original funding and underwriting of the development as well as to ensure that the proposed change will not cause noncompliance.

When submitting a modification request, please provide the following:

a. Formal written request from the Owner/Developer detailing the specific request and the reason the request is needed
b. The impact to the project in the event the modification request is not approved

c. Modification fee of $500.00 if loan documentation has been finalized
d. Updated HOME application pages that reflect changes to the original application based on the current closing projections and/or proposed modification

At its discretion, IHCDA may request additional supporting documentation.

HOME.

RENTAL CONSTRUCTION POLICY

Home Investment Partnerships Program
Rental Construction
2020 Application Policy

SUMMARY
The purpose of this HOME Investment Partnerships Program (HOME) application is to provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation and/or new construction of rental housing for low and moderate-income people. Through this program, the Indiana Housing and Community Development Authority (IHCDA) seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate HOME funds to be used for the rehabilitation and/or new construction of rental housing among selected applicants that meet program requirements as well as IHCDA's goals for the program, as described below.

1. Demonstrate they are meeting the needs of their specific community;
2. Reach low and very low-income levels of area median income;
3. Proceed with the activity upon receipt of the award and begin construction within 12 months of receipt of the award;
4. Link the project to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
5. Advance projects that promote aging-in-place strategies for seniors, persons with disabilities, and families with seniors or persons with disabilities;
6. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure; and,
7. Propose the use of state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and/or Service Disabled Veteran Owned Small Business (SDVOSB) contractors, employees, and products when applicants are planning and undertaking their housing activities.

Contents

Available Online

IHCDA HOME Program Webpage

Last Updated: 02/11/20

Part 1: Application Process

1.1 Overview and Funding Priorities:

The purpose of this HOME application is to provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation, and/or new construction of rental housing for low and moderate-income people. Through this program, the Indiana Housing and Community Development Authority (IHCDA) seeks to improve the quality of existing housing stock in Indiana.

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6. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure; and,
7. Propose the use of state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and/or Service Disabled Veteran Owned Small Business (SDVOSB) contractors, employees, and products when applicants are planning and undertaking their housing activities.

1.2 HOME Application Forms and HOME Policy Discrepancies

In the event of a conflict or inconsistency between the HOME Rental Policy and the HOME Application Form and/or Additional Documents, the procedures described in the HOME Rental Policy will prevail.

1.3 Funding Round Timeline

Note: This is an anticipated schedule and is subject to change or extension.

Application Available / Round Begins	December 2020
Application Webinar	January 2021
CHDO Certifications Due[1]	January 27th 2021
Application Due Date	March 9th 2021
Tentative Award Announcements	May 28th 2021

1.4 Application Webinar

An application webinar will be conducted prior to the application deadline. During the webinar, the IHCDA Real Estate Production Department staff will describe the requirements of the HOME program,

[1] Please note that certified CHDOs are now eligible to request up to $1,500,000 of HOME funding. In order to be eligible for these funds, applicants must follow a different CHDO certification process. This process can be found in section 5.1 of the HOME Rental Policy.

threshold and scoring criteria, how to complete the required forms, and how to submit the application documents. Local Units of Government (LUGs) and not-for-profit entities intending to apply are *strongly encouraged* to attend.

1.5 Technical Assistance

The applicant may schedule a technical assistance meeting with its regional IHCDA Real Estate Production Analyst to discuss both the proposed project and IHCDA's application process. Technical assistance may be required at IHCDA's discretion if the recipient does not have experience with IHCDA awards or if past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

1.6 Application Submission

The applicant must submit the following items to IHCDA's Real Estate Production Coordinator:

- Via IHCDA's OneDrive site (Please ensure notary seals are visible on any scanned documents):
    - CHDO Application Workbook and supporting documentation (if applying for CHDO Certification)
    - One completed copy of the HOME application form.
    - All supporting documents required in the tabs. Please submit this information as separate, labeled PDF documents under the required labeled tabs. **Do not send one PDF containing all supporting documentation**.
    - Signed Environmental Review Record (May be scanned and submitted as a PDF)
- Via hard copy:
    - Application fee of $250.
    - One USB Flash Drive with all documents

Applicants that are submitting multiple applications in a single round must submit ALL required documentation with EACH application. Multiple applications from the same applicant will be reviewed separately. Supporting documentation submitted with one application may not be used to satisfy a threshold or scoring requirement of another application.

Application fees should be made payable to IHCDA. If a check is returned for insufficient funds, the application will be denied. The application fee is non-refundable except, if the applicant applies and is certified as a Community Housing Development Organization (CHDO), the full application fee will be refunded. Applicants that are pre-certified as CHDOs as described in section 5.1 of this policy are not required to submit application fees.

All required application items are due no later than 5:00 p.m. Eastern time on the due date. Applications received after the deadline will not be accepted.

Applicants encountering technical issues with application forms, supporting documentation, or the submittal process should contact their IHCDA Real Estate Production Analyst as soon as possible. If informed of the problem in a timely manner, IHCDA staff may be able to correct the issue and/or provide additional guidance for specific non-Federal requirements on a case-by-case basis. However, assistance cannot be provided for applicants that do not notify IHCDA of an issue prior to the application deadline.

If IHCDA staff are unable to open or view submitted electronic documentation as a result of technical errors (e.g. file corruption, incompatible file types, etc.), staff will enlist IT support personnel to correct or bypass the issue. If the issue cannot be resolved, the applicant will not be allowed to submit a new or updated document and the application will be reviewed as if the document in question was not submitted. This may result in the applicant failing threshold and/or not receiving points in a scoring category. Therefore, it is in an applicant's best interest to review all electronic documentation to ensure it is complete and compatible with several different devices and/or programs before submittal.

Instructions on how to utilize OneDrive will be explained during the application webinar. Please note:

- **Applicants may NOT set up folders in OneDrive themselves.**
- **Applicants must contact the Real Estate Department Coordinator to request the creation of a folder.**
- **The Real Estate Department Coordinator will then share that folder with the applicant and the applicant may then upload the application form and all other required documents to the created folder.**

The application fee of $250 and USB flash drive should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: HOME Application
30 South Meridian Street, Suite 900
Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

Applicants must notify the Real Estate Department Coordinator and their Regional Analyst when they have uploaded documents to OneDrive, including documents for preliminary CHDO certification. Failure to notify IHCDA when documentation is uploaded may result in the delay or disqualification of the application.

Please notify the Real Estate Department Coordinator if the applicant would like to add an additional contact person for communications regarding its application.

1.7 Application Review

Each application must address only one development. Applications are reviewed in a three-step process:

Step One - Completeness	On or before the application deadline, the applicant must provide all required documents, signatures and attachments.
Step Two - Threshold	The application must meet each of the applicable threshold criteria, including underwriting guidelines found in Section 6.5 below. After initial threshold review, IHDCA staff may contact an applicant to notify them of required technical corrections as well as to request clarification of additional questions raised during threshold review. The applicant will have the opportunity to respond on or before the due date provided by IHCDA. If the applicant does not respond to the technical correction and threshold clarification letter, or the applicant's response does not address all concerns, the application

may be disqualified. Points will be awarded to applicants requiring two or less technical corrections, based upon the scoring table located in the Bonus scoring section of this policy.

For definitions of technical corrections and clarifications, please consult the glossary at the end of this policy.

Step Three - Scoring

Applications that pass completeness and threshold reviews are then scored according to IHCDA's published scoring criteria. After initial score review, IHCDA staff may contact the applicant for further clarification of a scoring item. Failure to respond to the requested scoring clarification items by the due date and in the manner requested may result in application denial. Supporting documentation for scoring categories will not be accepted after the initial application submission.

Applications proposing rental activities will be scored separately from, and will not compete with, applications proposing homebuyer activities. An amount of funding, determined at the discretion of IHCDA, will be set aside for rental projects each year as prescribed in IHCDA's Consolidated Plan.

Funded applications will be announced at the published IHCDA board meeting date. Award letters and score sheets will be uploaded to OneDrive by the close of business on the day of the board meeting. Applications that are not funded will be notified by IHCDA via denial letters and final score sheets being uploaded to OneDrive by the close of business on the day of the board meeting. Applications not funded will not be rolled over into the next funding round.

1.8 HOME Past Awards

Before an applicant can apply for a new HOME award, any other HOME awards that the applicant has received from IHCDA must be drawn down by a minimum of 25% of the award's total funding amount. Applicants funded during the most recent HOME round or awarded within six months of the starting date of the current round (based on the date of the last signature on the applicant's award agreement) are exempt from this requirement.

1.9 Minimum Score Requirement

An application must score at least 68 points to be considered for funding.

1.10 IHCDA CDBG, HOME & HTF Program Manual

The IHCDA CDBG, HOME & HTF Program Manual outlines the requirements for administering IHCDA's CDBG & HOME awards. A complete copy of the CDBG, HOME & HTF Program Manual and all exhibits are available on IHCDA's website at http://www.in.gov/myihcda/2490.htm

1.11 Environmental Review Record and Section 106 Historic Review User's Guide

The Environmental Review Record (ERR) and Section 106 Historic Review User's Guide and the ERR Workbook provides additional background information about the federally required processes including why the review is necessary, how to perform the review, and other resource information to help you complete the ERR Workbook. These documents can be found on IHCDA's website here.

1.12 IHCDA Waiver Policy

IHCDA, in its sole discretion, will consider a waiver request from any Applicant, Owner and/or Developer in regards to Section 5.1 (Subsidy Limitations **only**) and Section 6.5 (Underwriting guidelines). IHCDA does not accept waiver requests for any Federal Regulation or scoring requirements. Requests for additional funding will not be accepted.

IHCDA must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include the following:

- The details of the specific threshold requirement for which the Applicant is requesting a waiver,
- A detailed description as to why the Applicant cannot meet the threshold requirement,
- Any additional information the Applicant would like IHCDA to consider with the request.

1.13 Development Fund

Applicants may apply for the Development Fund with their HOME application. Applicants must provide documentation and explanation on an alternative source of funding if the Development Fund application is denied, or if Development Fund is not available.

More information on the Development Fund may be found in Part 10.

Part 2: Eligible Applicants

2.1 Eligible Applicants

HOME Investment Partnerships Program (HOME)	Cities, Town, and Counties	Community Housing Development Organizations (CHDO)	501(c)3 and 501(c)4 Not-For-Profit Organizations and PHAs	Joint Venture Partnerships	For Profit Entities Organized Under the State of Indiana
Rental Housing Rehabilitation	✓	✓	✓	✓	Not eligible
Acquisition and Rental Housing Rehabilitation	✓	✓	✓	✓	Not eligible
Rental Housing New Construction	✓	✓	✓	✓	Not eligible

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of the participating jurisdictions listed below. Applications from, or housing activities located within, the following participating jurisdictions are NOT eligible for HOME funds:

Bloomington	Gary	Lafayette Consortium**
Evansville	Indianapolis*	South Bend Consortium***
Fort Wayne	Lake County	South Bend Consortium***

*Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is outside of Marion County.

**Lafayette Consortium is made up of the Cities of Lafayette and West Lafayette and the unincorporated areas of Tippecanoe County. Other incorporated areas are eligible to receive assistance.

***South Bend Consortium is made up of the Cities of South Bend and Mishawaka and the unincorporated areas of St. Joseph County. Other incorporated areas are eligible to receive assistance.

2.2 Eligible CHDO Applicants Proposing Projects Located in Selected Participating Jurisdictions

IHCDA will allow for non-profits that certify as CHDOs to apply for IHCDA HOME funding if the project is in a participating jurisdiction that receives less than $500,000 of HOME funding within IHCDA's HOME Program Year. At time of publication, the participating jurisdictions that qualify are:

Anderson	East Chicago	Hammond	Muncie	Terre Haute

In order to be eligible, the applicant must have received a preliminary commitment of HOME funds from the participating jurisdiction for the project for which the applicant is applying for IHCDA funding. Documentation of this commitment by the participating jurisdiction must be submitted at the time of application. CHDOs proposing projects located in participating jurisdictions will be eligible to request up to $1,000,000 in IHCDA HOME funding. These CHDOs would also be eligible for CHDO Operating Supplement, as described in Section 4.4, and CHDO Predevelopment Loans, as described in Section 4.5.

IHCDA may, at its discretion, require CHDO's proposing projects located in participating jurisdictions to attend IHCDA trainings or participate in one-on-one technical assistance as a condition of funding.

2.3 Ineligible Applicants

Per 24 CFR 92.214 (a)(4) HOME funds may not be invested in public housing projects.

IHCDA reserves the right to disqualify from funding any application that has an applicant, sub-recipient, administrator, preparer, or related party of any of the aforementioned, with a history of disregarding the policies, procedures, or staff directives associated with administering any IHCDA program or program administered by any other State, Federal, or affordable housing entity. This includes, but is not limited to, the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, and the Federal Home Loan Bank.

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in Chapter 17 of the IHCDA HOME, HTF, and CDBG Program Manual.

2.4 Religious and Faith-Based Organizations

- *Equal treatment of program participants and program beneficiaries.* (1) *Program participants.* Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME program. Neither the Federal Government nor a State or local government receiving funds under the HOME program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- *Beneficiaries.* In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.
- *Separation of explicitly religious activities.* Recipients and subrecipients of HOME program funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.
- *Religious identity.* A faith-based organization that is a recipient or subrecipient of HOME program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve

overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a HOME program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

- *Alternative provider.* If a program participant or prospective program participant of the HOME program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.
- *Structures.* Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HOME program. Sanctuaries, chapels, or other rooms that a HOME program-funded religious congregation uses as its principal place of worship, however, are ineligible for HOME program-funded improvements. Disposition of real property after the term of the grant, or any change in the use of the property during the term of the grant, is subject to government wide regulations governing real property disposition (see 24 CFR parts 84 and 85).
- *Supplemental funds.* If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

Part 3: Eligible Activities & HOME Program Requirements

3.1 Eligible Activities

This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation and/or new construction of rental housing. Acquisition only is not an eligible activity; however, acquisition in conjunction with another activity is permitted.

- Rehabilitation, new construction, and acquisition/rehabilitation or acquisition/new construction of rental housing in the form of traditional apartments, single room occupancy units (SROs), or single family housing.
  - SRO housing consists of single room dwelling units that are the primary residence of the occupant(s). Neither kitchen nor bathroom facilities are required to be in each unit. However, if individual units do not contain bathroom facilities, the building must contain bathroom facilities that are shared by tenants. SRO housing does not include facilities for students.
- Rental Housing Tax Credit (RHTC) Developments with compliance periods or existing HOME developments with affordability periods that have expired prior to the due date for this application. RHTC Developments must be out of the initial 15-year affordability period. RHTC Developments still in the 30-year extended use period are eligible to apply for HOME funds, assuming the initial 15-year affordability period has expired.
- If HOME funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence within nine months of the demolition or acquisition.
- Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
  - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
    - Shall have been constructed after January 1, 1981;
    - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
    - Has wheels, axles, and towing chassis removed;
    - Has a pitched roof; and
    - Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
    - All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCDA.

3.2 Ineligible Activities

The following are ineligible activities:

- Per 24 CFR 92.214 (a)(4) HOME funds may not be invested in public housing projects.
- Owner-occupied rehabilitation;
- Group homes;
- Creation of secondary housing attached to a primary unit;

- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- Rehabilitation of mobile homes;
- Acquisition, rehabilitation, refinancing, or new construction if any part of a development or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the project;
- Acquisition, rehabilitation, or construction of any developments that will be applying for RHTC. These developments must apply for HOME funds as part of the RHTC application (also called the Qualified Allocation Plan);
- Any housing activity funded under Title VI of NAHA, prepayment of mortgages insured under the National Housing Act, public housing developments, or acquisition, rehabilitation, or construction of any developments funded under HUD's former Rental Rehabilitation Program;
- Costs for supportive services, homeless prevention activities, operating expenses, or for the use of commercial facilities for transient housing;
- Acquisition, rehabilitation, or construction of transitional housing;
- Acquisition, rehabilitation, or construction of emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for homeless persons;
- Payment of HOME loan servicing fees or loan origination costs;
- Tenant-based rental assistance;
- Payment of back taxes.

In addition, IHCDA **does <u>not</u>** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, gender identity, or against victims of domestic violence, dating violence, sexual assault, or stalking in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- Medical research or medical profit-making enterprises.

3.3 HOME Program Requirements

The proposed HOME project must follow these minimum requirements, and all other requirements laid forth in the Program Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's HOME, HTF, and CDBG Program Manual at http://www.in.gov/myihcda/2490.htm.

- Recipients must comply with all regulatory requirements listed in 24 CFR Part 92.

Applicants should familiarize themselves with IHCDA's CDBG, HOME & HTF Program Manual. Requirements include, but are not limited to the following:

- **Lead Based Paint**:
  - Each recipient of a HOME award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed.

- Anyone who conducts lead-based paint activities in the State of Indiana must be licensed. Licenses are issued only after an applicant has successfully completed course certification by an accredited training facility and has passed the licensing examination administered by the ISDH. A separate license is required for each of the authorized lead disciplines. All licenses must be renewed every three years by successfully completing refresher training approved by the ISDH. Activities requiring licensing include:
    - Inspection for lead-based paint
    - Risk assessment for lead hazards
    - Clearance examination following lead abatement
    - Abatement of lead-based paint
    - Project design, supervision, and work in abatement projects
- Anyone who is paid to perform work that disturbs paint in housing and child-occupied facilities built before 1978 must be EPA certified. This includes all firms, even sole proprietorships. Firms can't advertise or perform renovation activities covered by the regulation in homes or child occupied facilities built before 1978 without firm certification. Examples of the types of firms covered:
    - Residential rental property owners/managers
    - General contractors
    - Special trade contractors, including
        - Painters
        - Plumbers
        - Carpenters
        - Electricians
- Federal law requires that a "certified renovator" be assigned to each job and that all involved individuals be trained in the use of lead-safe work practices.
    - To become a certified renovator, a person must complete a renovator training course accredited by EPA or an EPA authorized program which will teach them how to work lead safe.
    - All remaining individuals must also be trained. They can either be certified renovators (meaning they successfully completed the accredited training) or they can have been trained on the job by a certified renovator (such training must be documented and the documents must be retained).

- **Section 504**:
    - Housing must meet the accessibility requirements of 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined in 24 CFR Part 100.201. It must also meet the design and construction requirements of 24 CFR 100.205 and implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C. 3601-3619).
- **Uniform Relocation Act:**
    - Each recipient of a HOME award is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). See IHCDA's Program Manual Chapter 4 for guidance on the regulatory requirements of the URA, as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.

- **Affirmative Marketing Procedures:**
  - Rental housing with five or more HOME-assisted units must adopt IHCDA's Affirmative Marketing Procedures. See the IHCDA Program Manual Chapter 5 for guidance on Affirmative Marketing Procedures.
- **Section 3**:
  - Any recipient receiving an aggregate amount of $200,000 or more from one (1) or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.
- **Income Verification:**
  - An income verification is valid for a period of six months. If more than six months pass between income verification and contract execution/lease execution/purchase agreement, then a new income verification must be completed.
- **Procurement Procedures:**
  - Each recipient of a HOME award will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award.
  - If the recipient of the HOME award is a Local Unit of Government, or a non-profit not acting as a developer, the recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the HOME award. Please note that public non-for-profits (ie Housing or Redevelopment Authorities_ and public agencies may not act as Developers and must competitively procure.
  - If the non-for-profit recipient is acting as a developer, competitive procurement standards are not required. To be considered a non-for-profit developer, the non-profit must meet the following criteria:
    - Must have site control (either through ownership or a lease) of the property;
    - Must be in sole charge of the development processes - and not just acting as a contractor, which includes:
      - Obtaining zoning and other approvals;
      - Obtaining other non-HOME financing for the project;
      - Selecting the architect, engineers, general contractors and other members of the development team; and,
      - Overseeing the progress of the work and cost reasonableness.
- **Environmental Review:**
  - To help facilitate timely expenditure of HOME funds, all applicants are required to complete and submit the Environmental Review Record (ERR) and Section 106 Historic Review at the time of application.
  - To complete the forms and the Release of Funds process, refer to the ERR Guidebook found at: https://www.in.gov/myihcda/2650.htm
  - As part of the Section 106 Historic Review process, IHCDA is required to submit all new construction projects to the Indiana Department of Natural Resources' State Historic Preservation Office (SHPO) for archaeology review. SHPO is statutorily required to complete this review within 30 days. Please plan your project timeline accordingly.

    - The applicant will receive their fully executed HOME award documents and will be allowed to draw funds only after the applicant has been allowed to publish a public notice and when the Release of Funds process is complete.
    - Applicants may not purchase any property to be assisted with HOME funds, sign contracts, or begin rehab/construction until the ERR/Release of Funds process has been completed and approved.
    - IHCDA will not fund projects that are located in a floodway or that have any portion of the project site in a 100-year flood plain. If the project site has any area that is designated as any variation of Zone A or as a floodway, then the project is ineligible for IHCDA funding. Re-platting and/or re-parceling a site out of any variation of Zone A will not be allowed. Instead, the applicant must consult with and follow FEMA procedures to change the flood designation; this process should be completed prior to submitting a funding application to IHCDA.
    - For sites within the shaded Zone X or sites outside of Zone A but without a Base Flood Elevation (BFE; this information will be indicated on the FEMA map), then the potential adverse impacts of being directly adjacent to a flood prone area must be minimized. Therefore, the applicant must demonstrate to IHCDA that the following design modifications are included in the project scope. The information must be submitted with the ERR Workbook upon funding application to IHCDA. These requirements can also be found in the ERR Workbook
        - Flood minimization techniques like permeable surfaces, storm water capture and reuse, and/or green roofs.
        - New construction and substantial improvement projects must be elevated at or above the 100-year floodplain.
        - The inclusion of early warning systems and emergency evacuation plans.
    - If your project involves new construction and has either mapped wetlands or potential wetlands, the project is not eligible for IHCDA funding. If your project involves site excavation, installation of wells or septic systems, grading, placement of fill, draining, dredging, channelizing, filling, diking, impounding, and any related activities, and has either mapped wetlands or potential wetlands, you must consider project alternatives, including a new site
- **Construction Standards and Physical Inspections:**
    - All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur when 50% of funds are drawn for single site projects, or when half the units are complete for scattered site projects. The second inspection will be conducted upon completion of construction for the award. Site visits during construction may be conducted to monitor progress of all projects. The IHCDA Inspector or IHCDA's third-party Inspector will conduct the physical inspections. Failure to comply with these inspection requirements may result in the loss of points in future applications and/or findings during IHCDA post-award compliance monitoring.
- **Match:**
    - The match requirement for the HOME program is 25% of the total amount of HOME funds requested except HOME funds used for environmental review costs (pursuant to §92.206(d)(8)), planning costs (pursuant to §92.207); CHDO operating expenses (pursuant to §92.208); capacity building (pursuant to §92.300(b)) of CHDOs; and predevelopment or seed money loans to CHDOs (pursuant to §92.301) when IHCDA waives repayment under the provisions of §92.301(a)(3) or §92.301(b)(3).

- Labor, property, funds, or other sources of match contribution donated by the applicant to itself, or by a principal or investor in the development, are not eligible for match as defined in §92.220(b)(4).
- If utilizing banked match, the applicant must have sufficient unencumbered banked match available at time of application.
- All required match must be committed by the time closeout documentation is submitted.
- If utilizing a tax exemption as a source of match, the applicant must have a signed letter from the local unit of government that lists the property or properties receiving the exemption, the length of the exemption, and the total value of the exemption.

- **Davis Bacon:**
  - Each recipient of a HOME award must follow the Davis Bacon requirements found in 29 CFR Parts 1, 3, and 5 to ensure workers receive no less than the prevailing wages being paid for similar work for the following type of projects:
    - Rehabilitation or new construction of a residential property containing 12 or more HOME-assisted units; and
    - Affordable housing containing 12 or more units assisted with HOME funding regardless of whether HOME funding is used for construction or non-construction activities.
    - Such properties may be one building or multiple buildings owned and operated as a single development.
    - Public Housing Authorities (PHAs) using PHA funds in conjunction with IHCDA funds are subject to Davis Bacon requirements.
- **Meaningful Access for Limited English Proficient Persons**
  - Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds for LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices; acquiring interpreters for face to face interviews with LEP persons; placing advertisements and notices in newspapers that serve LEP persons; partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project; hiring bilingual employees or volunteers for outreach and intake activities; contracting with a telephone line interpreter service; etc.
- **Registering Vacancies:**
  - Applicants that are proposing to develop rental housing must register vacancies for assisted housing in the IndianaHousingNow.org affordable housing database.
- **Other HOME Construction Standards**:
  - Units must, at a minimum, meet the stricter of the local rehabilitation standards or the Indiana State Building Code.
    - If a property is applying for project based vouchers, the units must be built to comply with the stricter of PBV Housing Quality Standards or local building code.

  - Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
  - Recipients of HOME funds must meet additional energy efficiency standards for new construction as described in 24 CFR 92.251.
- **Capital Needs Assessment:**
  - Projects performing the rehabilitation activity with a total of 26 or more units (the total of HOME-assisted and non-HOME assisted units) must complete and provide a Capital Needs Assessment (CNA).
- **Federal Programs Ongoing Rental Compliance:**
  - Recipient must ensure that each owner of a HOME-assisted rental project enters tenant events into IHCDA's Indiana Housing Online Management System at https://ihcdaonline.com/ within 30 days of the tenant's event date. Tenant events include move-ins, move-outs, recertification, unit transfers, and rent and income changes. In addition, Annual Owner Certification Rental Reports must be submitted electronically using the Indiana Housing Online Management System throughout the affordability period in the Annual Rental Report. See IHCDA's Program Manual for further guidance.
  - Recipient must ensure that there is a written lease between any tenant and the owner of rental housing assisted with HOME funds. The term of the lease may not be less than one year, unless a shorter period is specified upon mutual agreement between the tenant and the owner. The lease may not contain any of the prohibited provisions set forth in 24 CFR 92.253 (b).
  - In accordance with 92.504(d)(2), the recipient must provide IHCDA with the financial documentation and/or reports needed by IHCDA to conduct its examination of the financial condition of the project, if project has 10 or more HOME-assisted units.
  - Rental housing developments must assist households at or below 60% of the Area Median Income for the county, as published by HUD and distributed by IHCDA. Additionally, those developments with five or more HOME-assisted units must set-aside at least 20% of the units for households at or below 50% of the Area Median Income. Households must also meet the definition of "low-income families" at 24 CFR 92.2 which limits occupancy based on certain student status rules (see Part 4.1G of the Federal Programs Ongoing Rental Compliance Manual).
  - Recipient must follow the non-discrimination requirements of the Fair Housing Act, the Violence Against Women Reauthorization Act of 2013, and the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule.
- **Broadband Infrastructure:**
  - As described in the HUD Final Rule 81 FR 92626, any new construction or substantial rehabilitation of more than four rental units must provide for installation of broadband infrastructure, as defined in 24 CFR 5.100, except when IHCDA determines and documents that one or more of the exceptions listed in HUD Final Rule 81 FR 92626 apply. Each unit should have cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, which is capable of providing access to Internet connections in individuals housing units.
- **Tenant Selection Plan**
  - All HOME-funded properties must create a written tenant selection plan that meets all requirements outlined in Part 4.2E of IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time. This includes compliance with the nondiscrimination requirements of the Fair Housing Act, Violence Against Women

Reauthorization Act, Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Rule, and the 2016 HUD Office of General Counsel Guidance on Criminal Records.

3.4 Affordability Requirements

HOME subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The recipient shall comply with the following requirements of the HOME Program throughout the affordability period:

1. Ensuring that the property meets the Property Standards set forth in 24 CFR 92.251;
2. Ensuring that the tenants meet the affordability requirements set forth in 24 CFR 92.252 by documenting and verifying the income of tenants as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCDA;
3. Submitting annual tenant events and annual owner certifications to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual;
4. Participating in periodic monitoring and inspections of the Property by IHCDA and/or the U. S. Department of Housing and Urban Development ("HUD");
5. Complying with the Federal income and rent limits issued by HUD and published annually on IHCDA's website;
6. Providing IHCDA with information regarding unit substitution and filling vacancies, if the project has floating units; and
7. Ensuring that each tenant enters into a lease that does not contain HUD prohibited lease language as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual. The affordability period begins after the project has been completed and the completion forms have been submitted to and approved by IHCDA. During the affordability period all HOME program rental requirements apply to the property. See IHCDA's *Federal Programs Ongoing Rental Compliance Manual* for a full discussion of affordability period compliance.

The following affordability periods apply to all HOME rental housing and homebuyer projects:

Amount of HOME subsidy per unit:	Affordability Period
Under $15,000	5 years
$15,000 - $40,000	10 years
Over $40,000 - or any rehabilitation/refinance combination activity	15 years
New construction or acquisition of newly constructed transitional, permanent supportive, or rental housing	20 years

3.5 Lien and Restrictive Covenant Agreement

Each recipient of a HOME award must ensure that a lien and restrictive covenant is executed and recorded against every property constructed, rehabilitated, or acquired, in whole or in part, with HOME funds. Upon the occurrence of any of the following events during the Affordability Period, the entire sum secured by the lien shall be due and payable by developer and/or owner upon demand. Repayment may be demanded upon: (1) Transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the Affordability Period; (2) Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the Affordability Period; (3) The real estate no longer meets the property standards set forth in 24 CFR 92.251; (4) HOME-assisted units are not being used by qualifying tenants as their principal residence; (5) annual tenant events and annual owner certifications are no longer being submitted to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; (6) non-compliance with the federal income and rent limits issued by HUD; and (7) units are not leased in accordance with the requirements set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual.

The recipient of the HOME award will be responsible for repaying IHCDA any HOME funds utilized for any housing constructed, rehabilitated, or acquired that does not remain affordable and in compliance in accordance with 24 CFR 92.252 for the entire Affordability Period. The Affordability Period is based upon the total amount of HOME funds invested into the HOME-assisted units as depicted in the chart above. (IHCDA Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 12)

Part 4: CHDO

4.1 IHCDA CHDO Set-Aside

IHCDA must allocate at least 15% of its HOME funds for CHDO projects.

4.2 CHDO Eligible Activities

Permanent rental and homebuyer housing are considered CHDO-eligible activities for purposes of the CHDO set-aside as long as the activity takes place within the CHDO's state-certified service area and the CHDO owns, develops, or sponsors the activity.

CHDOs must certify at time of application and identify which of the three roles the CHDO will undertake with the project:

- The CHDO "**owns**" the activity when the CHDO holds valid legal title in fee simple or has a long-term (99-year minimum) leasehold interest in a rental property. The CHDO may hire and oversee a project manager or contract with a developer to perform the rehabilitation or new construction.
- The CHDO "**develops**" the activity when the CHDO is the owner in fee simple or through a long term ground lease during both the development and the affordability period. As developer, the CHDO must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME funds, selecting contractors, overseeing the progress of work, and determining reasonableness of costs.
- The CHDO "**sponsors**" rental projects through one of two processes:
  - Rental housing is developed by a CHDO affiliate, defined as a CHDO's wholly owned subsidiary (non-profit or for-profit); a limited partnership of which the CHDO or its wholly owned subsidy is the sole general partner; or a limited liability company of which the CHDO or its wholly-owned subsidiary must be the sole managing member. If the limited partnership or limited liability company agreement permits the CHDO to be removed as general partner or sole managing member, the agreement must provide that the removal must be for cause and that the CHDO must be replaced with another CHDO.
  - The CHDO develops housing on behalf of another non-profit. The rental housing is transferred by the CHDO to the other nonprofit upon completion. The nonprofit receiving the property upon completion must be identified by the CHDO, not be created by a governmental entity, and assume ownership and all HOME obligations, including any loan repayment. The CHDO must own the property during the development period and be in sole charge of the development process.

4.3 CHDO Program Requirements

CHDOs must adhere to all HOME requirements listed in this Application Package and the additional CHDO specific program requirements:

- Applicants that would like to apply as a CHDO must apply for CHDO certification at the time of submitting a HOME application.[2] The CHDO application can be found as a separate document on the IHCDA website here: http://www.in.gov/myihcda/2541.htm. The CHDO application must be submitted at the same time as submittal of the HOME application.

[2] Please note that certified CHDOs are now eligible to request up to $1,500,000 of HOME funding. In order to be eligible for these funds, applicants must follow a different CHDO certification process. This process can be found in section 5.1 of the HOME Rental Policy.

- Treatment of Program Income by a CHDO:
  - Proceeds generated from a Community Housing Development Organization ("CHDO") development activity may be retained by the CHDO but must be used for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). Such proceeds are not considered program income and are not subject to HOME Program requirements. However, funds recaptured because housing no longer meets affordability requirements are not considered CHDO proceeds and are subject to the requirements of 24 CFR 92.503(b) and must be returned to IHCDA.
- An application for a CHDO eligible undertaking must demonstrate the following:
  - Low- and moderate-income persons have had the opportunity to advise the CHDO in its decision regarding the design, site, development, and management of the affordable housing undertaking.
  - Certify that the organization continues to meet the definition of a CHDO by being a certified CHDO by IHCDA.
  - Complete the CHDO related sections in the HOME Application Forms.

4.4 CHDO Operating Supplement

CHDOs may apply for supplemental funds in a HOME funding round. A CHDO may receive CHDO operating supplement funds in an amount not to exceed $50,000 per project and $50,000 total within one program year, except when receiving a second award of CHDO Operating Supplement, as described below.

CHDOs are eligible to apply for a second award of CHDO Operating Supplement for a project that received a CHDO Operating Supplement award at the time of its initial funding. CHDOs funded within the past 12-24 months for a HOME project can apply for additional supplemental operating support of up to $25,000, if they have met the following criteria:

- Have begun construction within the first 12 months of the executed agreement with IHCDA;
- Have drawn a minimum of 25% of the IHCDA housing development award; and
- Have drawn 100% of the original CHDO Operating Support award.

CHDOs receiving a second year of CHDO Operating Supplement may receive funds in an amount not to exceed $50,000 per project and $75,000 total within one program year.

Eligible costs include:

- Accounting Services/Audit
- Communication Costs
- Education/Training
- Equipment/Software
- Insurance
- Lead-Based Paint Equipment
- Legal Fees
- Postage
- Professional Dues/Subscriptions
- Rent
- Staff Salary/Fringe
- Taxes
- Travel
- Utilities

CHDO Operating Support cannot exceed the greater of $50,000 or 50% of the CHDO's total annual operating expense within one program year.

4.5 CHDO Predevelopment and Seed Money Loans

CHDOs are eligible for development specific predevelopment or seed money loans. Applicants may request up to $30,000 in loans for special project-specific pre-development expenses. All loans may not exceed customary and reasonable project preparation costs and must be repaid from construction loan proceeds or other program income. The CHDO must apply for the predevelopment or seed money through a separate application process.

The following limitations apply to CHDOs requesting Predevelopment Loans:

- The CHDO may not have more than five currently open or pending CHDO Predevelopment Loans, including the loan being submitted.

Please contact your Real Estate Production Analyst for more details.

Part 5: Subsidy Limitations & Eligible Activity Costs

5.1 Maximum Award Request, Subsidy Limitations & Budget Limitations

Applicant Type	Maximum Award Request
Non-CHDO	$1,000,000
CHDO	$1,500,000

Applicants that are not certified as a CHDO, or that are certified as a CHDO **after** the application due date, may request up to $1,000,000.

Applicants that are certified as a CHDO **before** the application due date may request up to $1,500,000.

- In order to qualify, applicants must submit a CHDO application and all required CHDO documentation by **5:00 p.m. Eastern Time** on **January 25th, 2021** The CHDO application can be found as a separate document on the IHCDA website here.
- IHCDA staff will review the applicant's CHDO application. If further clarification is needed, IHCDA will reach out to the applicant for additional information.
- Upon making a final determination, IHCDA will inform each CHDO applicant as to the status of its certification. If the applicant is certified as a CHDO it may request up to $1,500,000. If the applicant is not certified as a CHDO, it will be limited to the non-CHDO maximum award request limit of $1,000,000.
- An applicant that submits its CHDO certification after the deadline listed above will NOT be eligible to request more than $1,000,000. However, its certification status will still be reviewed, it will still be eligible for any scoring category contingent on CHDO status, and it will still be eligible to request CHDO Operating Supplement funds in conjunction with its HOME application.

Subsidy Limitations
HOME funds used for acquisition, rehabilitation, new construction, soft costs, relocation, rent-up reserve, and developer's fee combined cannot exceed:

For units designated 50% AMI or higher:

Bedroom Size	Per Unit Subsidy Limit
0	$72,000
1	$84,000
2	$96,000
3	$117,000
4+	$128,000

For units designated 40% AMI or lower:

Bedroom Size	Per Unit Subsidy Limit
0	$90,000
1	$105,000
2	$120,000
3	$145,000
4+	$160,000

The minimum amount of HOME funds to be used for rehabilitation or new construction is $1,001 per unit.

Budget Limitations

- HOME funds cannot be used for reserve accounts for replacement or operating costs, but may be used as a Rent-Up Reserve.
- All subsidies must be secured throughout the affordability period by a written, legally binding, recorded restrictive covenant.
- HOME funds budgeted for developer's fee cannot exceed 15% of the HOME award.
- HOME funds budgeted for soft costs, environmental review, and developer's fee together cannot exceed 20% of the HOME award.

5.2 Form of Assistance

HOME funds will be awarded to the recipient in the form of a grant or loan. Award documents must be executed in order to access funds and will include, but are not limited to: award agreement, resolution, and a lien and restrictive covenant agreement.

The applicant may then provide the HOME award as a forgivable, amortized, or deferred loan to as many other entities as it chooses, known as subgrantees. However, subgrantees must be identified in the application and approved by IHCDA.

A title company is required to be used for all loans that occur between the IHCDA recipient and the subgrantee of the program. An example is when an IHCDA recipient is assisting a property that it does not own. When the loan is made from the IHCDA recipient to the subgrantee, a title company must be used.

The IHCDA recipient must execute a promissory note, mortgage, lien and restrictive covenant agreement, security agreement, UCC Financing Statement(s), and other documents as directed by IHCDA in order to secure IHCDA's investment in the assisted property. The recipient is required to deliver these documents to the county recorder's office for recording. These documents will be reviewed during monitoring visits.

5.3 Eligible Activity Costs

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

ACQUISITION – Limited to the purchase price and related costs associated with the acquisition of real property. The cost of acquisition will be calculated based upon the lesser of the actual amount paid for the building or the appraised fair market value. Recipients must use a title company when purchasing or selling assisted properties.

DEMOLITION – Costs associated with the demolition and clearance of existing structures.

DEVELOPER'S FEE – Developer's fees are only available with HOME funded activities and cannot exceed 15% of the HOME award. Additionally, the total of developer's fee, soft costs, and environmental review cannot exceed 20% of the HOME request.

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the NEPA compliance Environmental Review, which is a requirement of the Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the soft costs line item. This line item along with developer's fee, and soft costs cannot exceed 20% of the HOME request. Eligible costs for this line item are generally between $2,000 and $5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCDA CDBG & HOME Program Manual.

LEAD HAZARD TESTING – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are $1000 per unit.

NEW CONSTRUCTION
Eligible costs include:
- Hard costs associated with new construction activities;
- Utility connections including off-site connections from the property line to the adjacent street;
- Site work related to driveways, sidewalks, landscaping, etc.
- Related infrastructure costs - improvements to the development site that are in keeping with improvements of surrounding, standard developments. Site improvements may include on-site roads and water and sewer lines necessary to the development
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners;
- General Requirements, Contractor Contingency and CMC

SOFT COSTS – Soft costs are those costs that can be directly tracked by address. They include client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with developer's fee and environmental review cannot exceed 20% of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Additionally, soft costs may be used to pay off a HOME CHDO Predevelopment or CHDO Seed Money loan but may not exceed the 20% line item cap.

Eligible costs include:
- Appraisals
- Builders risk insurance
- Building permits
- Client in-take / Income verification
- Closing costs paid on behalf of homebuyer
- Consultant fees

- Cost estimates
- Credit reports
- Demolition permits
- Engineering/Architectural Plans
- Financing costs
- Impact fees
- Inspections
- Legal and accounting fees
- Other professional services
- Phase I Environmental Assessments
- Plans, specifications, work write-ups
- Private lender origination fees
- Realtor fees
- Recording fees
- Title Searches
- Travel to and from the site
- Lead hazard testing
- Utilities of assisted units

REHABILITATION
Eligible costs include:

- Hard costs associated with rehabilitation activities
- Lead-based paint interim controls and abatement costs.
- Mold remediation
- Site work related to driveways, sidewalks, landscaping, etc.
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety.
- Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served
- General Requirements, Contractor Contingency and CMC

RELOCATION - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, not-for-profit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCDA's Program Manual Chapter 4.

RETAINAGE POLICY - IHCDA will hold the final $10,000 of an award until all match documentation, closeout documentation, and completion reports are received and approved. Closeout documentation will not be approved until the final monitoring and inspection is completed and all associated findings and/or concerns are resolved.

5.4 Ineligible Activity Costs

- Annual contributions for operation of public housing
- Commercial development costs **-** All costs associated with the construction or rehabilitation of space within a development that will be used for non-residential purposes such as offices or other commercial uses. This does not include the common area used by tenants of rental property or the leasing office of the apartment manager. HOME awards cannot be used to underwrite any portion of commercial development costs. The expenses incurred and income to be generated from commercial space must be reported in a separate "Annual Expense Information" sheet and 15-year proforma
- Costs associated with any financial audit of the recipient

- Costs associated with preparing an application for funding through IHCDA
- Cost of supportive services
- General operating expenses or operating subsidies
- Loan guarantees
- Mortgage default/delinquency correction or avoidance
- Providing tenant based rental assistance
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers
- Purchase or installation of luxury items, such as swimming pools or hot tubs

5.5 Program Income

Income generated by CHDOs acting as owners, sponsors, or developers of HOME units may be retained by the CHDOs but it must be used for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, funds recaptured because housing no longer meets affordability requirements is not considered CHDO proceeds and must be returned to IHCDA.

Income generated by not-for-profits or for-profits, acting as developers of HOME units, may be retained by the developer and is not subject to HOME Program requirements.

Additionally, all legal documents, such as mortgages, security agreements, UCC financing statements, and liens executed by the IHCDA recipient, beneficiary, or subrecipient receiving assistance, must be recorded at the county recorder's office. These documents must be submitted to IHCDA at closeout along with the IHCDA recipient's completion reports and will be reviewed during monitoring visits conducted by IHCDA staff.

Part 6: Rental Housing Requirements

6.1 Eligible Projects

HOME projects can propose rental activities with this policy and corresponding application forms. Homebuyer activities are eligible using the Homebuyer policy and corresponding application forms.

6.2 Eligible Rental Activities

Eligible activities include new construction, rehabilitation, acquisition/rehabilitation or acquisition/new construction. Acquisition is allowed only in conjunction with either the rehabilitation or new construction activity and is ineligible as a stand-alone activity. Permanent rental housing units may not be used for temporary or emergency housing at any time.

All households occupying HOME-assisted rental units must be income and student status qualified based on HOME regulations. See the Federal Programs Ongoing Rental Compliance Manual for more information on household qualification.

6.3 Rent Restrictions

HOME-assisted rental units will be rent-restricted throughout the affordability period to ensure that the units are affordable to low- and moderate-income households. Please refer to the most recent HOME rent limits, which can be found on IHCDA's website under RED Notices. The following restrictions apply:

- Published rent limits include the cost of any tenant-paid utilities. For all utilities that the tenant will be responsible for you must subtract approved utility allowance from the published rent limit.
    - For example, if the rent limit in a given county is $300 with a utility allowance for gas heat of $28, $20 for other electric, and $13 for water, the maximum allowable rent would be $239 for a unit where the tenant pays all the above utilities ($300 - $28 - $20 - $13 = $239).
- All units must be leased for initial occupancy within 18 months.
- If a SRO-unit has both food preparation and sanitary facilities, then use the HOME zero bedroom (efficiency) unit rent or 30% of the household's adjusted income, whichever is most restrictive.
- If a SRO-unit has neither food preparation nor sanitary facilities, or only one of either, then the rent may not exceed 75% of the fair market rent (FMR) for a zero bedroom unit. For example, if the FMR for a zero-bedroom unit in a given county is $300, then the 40% rent limit in that county for a SRO unit that only has a bathroom and not a kitchen would be $225 ($300 x .75 = $225).
- Gross rent must be at or below the published rent limit. Gross rent = tenant-paid rent + tenant-based rental assistance + utility allowance + non-optional charges.
- If the applicant proposes to receive all or a portion of the rent payment via a tenant-based voucher (rental subsidy), the gross rent (including the rental assistance amount) cannot exceed the published rent limits for the applicable income level.
    - For example, a tenant residing in a unit set-aside for households at or below 40% of the area median income has a voucher that pays $100 of his/her rent, and the published utility allowance for tenant paid utilities for the unit is $50. If the published 40% rent limit is $300, the tenant paid portion of rent cannot exceed $150 ($300 rent limit - $100 Section 8 Voucher - $50 utility allowance = $150 maximum tenant paid portion).
- If the development receives a federal or state project-based rent subsidy and the unit is designated as 50% or below, the household is at or below 50% AMI, and the household pays no

more than 30% of his/her adjusted income for rent, then the maximum rent may be the rent allowable under the project-based rental subsidy program as set forth in 24 CFR 92.252(b)(2).

- If the development charges non-optional fees for food or the costs of supportive services, then these costs must be included in the gross rent calculation
- All tenants who occupy HOME-assisted rental housing units must be income recertified on an annual basis. The Section 8 definition of household income applies.

6.4 Affordability Periods and Resale/Recapture Requirements

All rental projects are subject to an affordability period as defined in Part 3.4 of this document.

The recipient is subject to recapture provisions through a recorded lien and restrictive covenant agreement as described in Parts 3.5 of this document.

6.5 Underwriting Guidelines for Rental Projects

The following underwriting guidelines must be followed for any rental development. The numbers submitted should accurately reflect the true nature and cost of the proposed activity. IHCDA will consider underwriting outside of these guidelines, if supporting documentation is provided.

TOTAL OPERATING EXPENSES – All developments must be able to underwrite with a minimum operating expense of $4,500 per unit per year (net of taxes and reserves). Total operating expense calculation includes replacement reserve contributions but excludes debt service.

MANAGEMENT FEE – The maximum management fee allowed is described in the table below, based on the number units within the project. The percentage is based on the "effective gross income" (i.e. gross income for all units, less vacancy rate).

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

VACANCY RATE – All developments must be able to underwrite with a vacancy rate between 6% and 8%.

RENTAL INCOME GROWTH – All developments must be able to underwrite with a rental income growth between 0% and 2% per year.

OPERATING RESERVES – All developments must be able to underwrite with operating reserves using **the greater of** four-to-six months of expenses (i.e. operating expenses plus debt service) OR $1,500 per unit. Operating Reserves are not an eligible HOME expense and must come from other eligible sources.

REHABILITATION – When HOME funds are being used for rehabilitation, at least 51% of the total HOME request must be budgeted for rehabilitation costs.

RENT-UP RESERVE – HOME funds may be used to fund a rent-up reserve for new construction and rehabilitation rental housing developments. This reserve can be used to meet shortfalls in development income during the rent-up period and may only be drawn down after all construction is completed at the development. The following terms apply:

- The term of the rent-up reserve account may not exceed six months after all construction is completed, after which time any unused reserves left in the account will be de-obligated by IHCDA.
- These funds can be used only for development operating expenses, scheduled payments to replacement reserves, and/or debt service payments.
- The recipient must receive IHCDA's approval prior to accessing its rent-up reserve funding.
- The amount of HOME funds that can be utilized for a rent-up reserve is limited to three months development operating expenses plus three months of development debt service.

REPLACEMENT RESERVES – All developments are required to have replacement reserves. Replacement reserves must be included in the operating budget but are not included as part of the operating reserves. 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 through the entire Affordability Period. 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 IHCDA.

Replacement reserves must escalate at a rate of 3% per year.

IHCDA will, at its discretion, adjust the replacement reserve to reflect reasonable and customary capital and replacement expenditures. The following minimum contributions must be used.

Development Type	Minimum Contribution per unit per year
Rehabilitation*	$350
New Construction	$250

* For rehabilitation developments, the Capital Needs Assessment will be reviewed to determine whether sufficient reserves have been established.

OPERATING EXPENSE GROWTH – All developments must be able to underwrite with operating expense growth between 1% and 3% per year.

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

STABILIZED DEBT COVERAGE RATIO – All developments must be able to underwrite with a stabilized debt coverage ratio (DCR) within the following standards:

Development Location	Minimum Acceptable Debt Coverage Ratio
Large or Small City	1.15 – 1.40
Rural	1.15 – 1.50

- Stabilization usually occurs in year two; however, the debt coverage ratio for a development must not go below 1.10 during the affordability period to be considered financially feasible.

- IHCDA recognizes that some deals may have higher debt coverage at the beginning of the affordability period in order to remain feasible for the duration of the affordability period. Documentation to support these higher debt coverage ratios must be provided.
- Developments without hard debt are allowed but will be subject to additional scrutiny from IHCDA. Developments with no debt will not have a debt coverage ratio, but will be required to have cash flow without an undue profit. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including Replacement Reserves). A ratio of 1.10 shall be the minimum required to be considered feasible by IHCDA, throughout the affordability period.
- Tax abatement may cause the DCR to be higher than these guidelines.

The following documentation is required for Stabilized Debt Coverage Ratio:

- 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); AND

- If the underwriting is outside these guidelines, the applicant must provide a written detailed explanation with third party documentation supporting the explanation (approval of underwriting from other financing institutions/funding sources will not constitute acceptable supporting documentation).

6.6 Market Assessment Guidelines for Rental Projects

The following market assessment guidelines must be followed for any rental development. The numbers submitted should accurately reflect the market feasibility of the proposed activity. Only responses to these narrative questions are necessary, a full market study is not required.

MARKET AREA – Describe the market area from which the majority of the development's tenants are likely to come and provide a map with a scale. Describe how the market area was determined to be appropriate for the development.

SOCIOECONOMIC PROFILE AND TRENDS – Describe the trends in population and households by age and income and estimate the number of eligible tenants for the development.

HOUSING STOCK – Describe the existing housing stock within the market area including the number of housing units, type (single family or multifamily), percent vacant, percent owner-occupied and renter-occupied, etc. In addition, provide a list of all other rent restricted properties in the market area and indicate whether they are age restricted.

CAPTURE RATE AND ABSORPTION PERIOD – Provide an estimate of the capture rate for the development (project's units divided by the number of eligible tenants from the market area) and estimate the absorption period to ensure lease-up within 18 months of project completion.

NEEDS ASSESSMENT – Describe how the development addresses the community's housing needs, given the market area's socioeconomic profile, trends, and housing stock.

DEVELOPMENT SITE DESCRIPTION – Explain how the site is adequate in size, exposure, and contour to accommodate the number and type of units proposed. In addition, describe whether there are adequate utilities (water, sewer, gas, and electricity) to accommodate the development.

Part 7: Completeness & Threshold Requirements

Each proposed project must satisfy the Federal requirements of the HOME program listed in 24 CFR Part 92 and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

7.1 Completeness Requirements

- Timeliness – All documentation must be turned in by the application due date.
    - On or before the application deadline, the applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HOME Application Forms.
    - If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
    - Any forms that are late will be denied review and will be sent back to the applicant.
- Responsiveness – All questions must be answered and all supporting documentation must be provided.
    - The applicant must provide all documentation as instructed in this application policy as well as all required documentation listed in the HOME Application Forms.
    - The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
    - All required signatures must be originally signed (no electronic signatures) but may be scanned and submitted in PDF form as allowed.

7.2 Threshold Requirements

Completeness	Location
Application and Supporting Documents • Submit two copies of fully completed HOME Rental application, one as an Excel file and one as a searchable PDF. • Submit all required supporting documents via OneDrive. Do not submit paper copies of the application or any other supporting documents. Applicants may also be issued a Technical Correction for using policies or 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 2.2, submit a preliminary commitment of HOME funds from the participating jurisdiction for the project for which the applicant is applying for IHCDA funding.	Tab L_Financial Commitments
SAM Status • Submit a copy of the applicant's System of Award Management (SAM) status. https://www.sam.gov/portal/SAM/#1	Tab A_SAM Status

Debarment Information • Submit a copy of the debarment information for each development team entity identified in the application.	Tab B_Debarment
Grievance Procedures • Submit applicant's Grievance Procedures. Grievance Procedures must address both current and prospective tenants and provide guidance on (1) how grievances will be submitted, (2) who will review them, (3) the timeframe for the review, and (4) the appeal process. Grievance Procedures should be written and available to current and potential tenants.	Tab C_Grievance Procedures
Area Need • HUD requires that IHCDA certify there is adequate need for each unit based on the neighborhood's housing market. In order to help make this determination please answer all of the questions in the application's Market Narrative. A formal market study is not required. Attach any relevant support material such as previously completed market studies, planning documents, or maps.	Tab D_Area Need
Home-Assisted Households at or Below 60% AMI • Commit to assisting households at or below 60% of the area median income for the county.	Application
Not-for-Profit Applicant Documentation (if applicable) • Submit an IRS determination letter for 501(c)3 status. • Provide a copy of the Certificate of Existence from the Indiana Secretary of State as proof that the organization is in good standing.	Tab E_Not-for-Profit
Audited Financial Statements • Submit the most recent copy of the applicant's audited financial statements. If the organization is not required to have an audited financial statement, submit a compilation report prepared by a third party OR the organization's most current year-end financials.	Tab O_Capacity
Current Year-to-Date Financials • Submit current year-to-date financials for the applicant. This should include the balance sheet, income statement, and cash flow.	Tab O_Capacity
Owner Authorization (if applicable) • If the applicant is different from the owner of the development, provide a letter from the owner authorizing the applicant to apply for funding for the owner's property.	Tab F_Notifications

Administrator Documentation (if applicable)
• If the applicant has hired an administrator, please provide documentation demonstrating that the administrator has been properly procured using the Competitive Negotiation (RFP) Procedure.
  • Submit a copy of the Request for Proposals (RFP).
  • Submit the published advertisement for the RFP that was put in a general circulation newspaper.
  • Submit a copy of the signed contract between applicant and administrator.
	Tab G_Administrator

Previous HUD or USDA-RD Funding • If development received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development Office and provide proof of delivery.	Tab F_Notifications
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 concepts 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, an accessible bedroom on the main level, etc. Visible units must comply with the Type C unit criteria in ICC A117.1 Section 1005.	Application
Site Map and Photos • Submit a clear, colored site map with project site and/or parcels outlined and identified. • Submit clear, recent, color site photos including views from all cardinal directions.	Tab H_Site Map
Title Search • Submit evidence of clear title with a title insurance commitment, title search documentation, or an attorney's opinion letter.	Tab I_Readiness
Construction Cost Estimate • Submit detailed construction cost estimates for the development.	Tab I_Readiness
Site Control • Submit a purchase option or purchase agreement that expires no less than 30 days subsequent to the award announcement date.	Tab I_Readiness
Unit Plans • Submit unit plans that include the square footage for each type of unit. These may not be hand-drawn.	Tab I_Readiness

Site Plans
• Submit basic site plans that show how the development is to be built, including:
  ○ Any significant demolition
  ○ Any existing buildings
  ○ The placement and orientation of new and existing buildings, parking areas, sidewalks, etc.
 	
IHCDA reserves the right to request revisions and/or additional site plans if the provided plans are determined to be insufficient.
	Tab I_Readiness

Architect License • If the Development Team includes an architect, provide the license number for the individual identified in the Development Team section of the HOME Application Form. If the architect is licensed via reciprocity, please identify the state in which the architect's license was issued.	Application

Zoning Approval • Provide a letter no older than six months from the local planning official that certifies the current zoning allows for construction and operation of the proposed development and lists any required variances that have been approved.	Tab I_Readiness
Capital Needs Assessment • For developments proposing 26 or more total units, a Capital Needs Assessment is required.	Tab I_Readiness
Environmental Review • Submit completed environmental review forms. Instructions and forms can be found in Chapter 11 of the IHCDA CDBG & HOME Program Manual. • 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 funding). **HUD 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.	Tab J_Environmental Review
Affirmative Fair Marketing Plan (if applicable) • In accordance with 24 CFR 200.620 and 24 CFR 92.351 (a), the recipient must adopt an Affirmative Fair Housing Marketing Plan for rental and homebuyer developments containing five or more HOME-assisted housing units. Submit form HUD 935.2A.	Tab K_Fair Housing
Development Fund • Developments requesting a Development Fund loan must designate at least 50% of the Development Fund-assisted units for households at or below 50% AMI with the remaining Development Fund-assisted units designated for households at or below 80% AMI.	Application
Funding Committed Prior to Application • All other development funding, including AHP funds, must be committed prior to submitting an application for HOME funding to IHCDA. Please complete the sources and uses tab in the application. • If the project is utilizing funding committed more than one year prior to the application due date please provide a letter confirming that the funds are still available and accessible to the applicant.	Tab L_Financial Commitments
Letters of Commitment • Submit signed letters of commitment including funding terms and amounts for all funding sources. This includes deferred developer fees.	Tab L_Financial Commitments
CHDO Operating Supplement • If applying for a CHDO Operating Supplement, fill out Section F of the Sources and Uses tab and the CHDO Operating Supplement tab in the Application Forms.	Application

<table>
<tr><td>Rental Proforma
Complete the Rental Proforma tab in the IHCDA HOME Rental Application Forms.</td><td>Application</td></tr>
<tr><td>Match Requirement
The match requirement for the HOME program is 25% of the total amount of HOME funds requested minus environmental review costs. Match must be committed prior to submitting an application for HOME funding to IHCDA.
Submit the relevant sections of the Match Spreadsheet.
Submit letters of commitment for each source of Match.</td><td>Tab L_Financial Commitments</td></tr>
<tr><td>Senior Developments
New Construction:
100% of the units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code.
Rehabilitations:
100% of the ground floor units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code, and all units above the ground floor must be adaptable as defined by the ADA and the Indiana Accessibility Code unless the building(s) contained elevator(s)/Lift(s) prior to rehabilitation, in which case the elevators/lifts will need to be maintained and 100% of the units above the ground floor will need to be accessible and adaptable.</td><td>The originally signed HOME application will serve as certification that the development will comply with these requirements.</td></tr>
<tr><td>Appraisals
If any portion of HOME funds are being used for acquisition, the cost of acquisition will be calculated based upon the lesser of the actual amount paid for the building or the appraised fair market value.
Applicants must submit a fair market appraisal (completed by a qualified appraiser) completed no earlier than six months from the application deadline. The appraisal must be at a minimum an “As Is” appraisal and must adhere to the Uniform Standards of Professional Appraisal Practice. A statement to this effect must be included in the report.</td><td>Tab I_Readiness</td></tr>
</table>

Services
• Applicants must commit to services in each of the three levels listed on the Tenant Investment Plan Matrix. Each applicant must commit to at least one service in level one, two services in level two, and three services in level three. Developments planning to incorporate services not referenced in the Tenant Investment Plan Matrix or that exceed the minimum requirements may merit consideration for additional scoring under the Unique Features category. Applicants must submit:
  ○ One Form C: Tenant Investment Plan Matrix listing all services for the entire proposed project (found in the HOME Application Additional Documents Folder);
  ○ One Form D: Tenant Investment Plan Service Agreement (MOU) for each service provider with original or a copy of original signatures (found in the HOME Application Additional Documents Folder);
    ▪ If the HOME applicant is providing services, an MOU must still be executed to ensure IHCDA has documentation of the applicant's commitment. Applicants are required to use the IHCDA provided Tenant Investment Plan Service Agreement (MOU) unless the IHCDA legal department has provided written approval of an alternate MOU prior to application submittal.
	Tab M_Project Characteristics

Universal Design Features • Applicants must adopt a minimum of two universal design features from each section listed on the Universal Design Features Form. The Universal Design Features Form can be found using the "Additional Rental Forms" link on the IHCDA HOME Program website: http://www.in.gov/myihcda/home.htm. • Features found in Section A are regarded as being of high cost and/or high burden of inclusion to the development. Features found in Section B are regarded as being of moderate cost and/or moderate burden of inclusion to the development. Features found in Section C are regarded as being of low cost and/or low burden of inclusion to the development. Applicants must identify which features they will be undertaking on the Universal Design Form. Changes to these selections will require submittal of a formal modification request to IHCDA.	Tab N_Development Features
Application Submission Resolution • All applicants for IHCDA funding must submit a resolution approved by the applicant's Board of Directors authorizing the submission of an application for funding to IHCDA. Applicants must submit: ○ One HOME Application Submission Resolution signed by the applicant's Board of Directors (found in the HOME Application Additional Documents Folder)	Tab F_Notifications

Part 8: Scoring

If an application meets all applicable requirements, it will be evaluated and scored based on:

Scoring Category	Points Possible
Project Characteristics	33
Development Features	33
Readiness	8
Capacity	21
Leveraging of Other Sources	6
Unique Features & Bonus	9
Total Possible Points	**110**

When there is a scoring criterion based on the county being served and there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number. An application must score at least 68 points to be considered for funding.

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

1. First Tie Breaker: Priority will be given to the development located in a community that has not received a HOME award within the past three years. If a tie still remains;
2. Second Tie Breaker: Priority will be given to the development with the lowest average rent restrictions across all units. If a tie still remains;
3. Third Tie Breaker: Priority will be given to the development that requests the lowest amount of HOME funds per unit. If a tie still remains;
4. Fourth Tie Breaker: Priority will be given to the development that scores highest in the Opportunity Index.

8.1 Project Characteristics Category Maximum Points Possible: 33

1) *Constituency Served* *Maximum Number of Points: 5*

If the development commits to serving beneficiaries in IHCDA-assisted units with maximum incomes lower than required by the HOME program and maintains housing costs at affordable rates, points will be awarded in accordance with the following chart. Percentages are of the area median income (AMI) for the county in which the development is to be located. Awarded recipients will be held to the unit commitment in their award agreement. The AMI level selected applies to both the income and rent restriction on the unit. Changes to the AMI levels will require prior IHCDA approval.

Constituency Served	Points
20% of Population served at or below 40% AMI; **OR**	3
20% of Population served at or below 30% AMI	5

2) *Mixed-Income Housing* *Maximum Number of Points: 1*

Community Integration	Points
10% of development units are Market Rate	1

3) *Targeted Population* *Maximum Number of Points: 4*

Points will be awarded to applicants that target populations with special housing needs under IHCDA's priority in accordance with the following guidelines and charts.

An individual or household that meets the criteria for two or more categories below (e.g. a veteran with a child six and under or a single parent household with a victim of domestic violence) may only be counted for **one** of the categories he or she qualifies for when calculating percentages for this scoring category.

Target Population	Points
OPTION 1: Age-restricted housing in which at least 80% of the units in the development are restricted for occupancy by households in which at least one member is age 55 or older OR 100% of the units are restricted for households in which all members are age 62 or older; OR	2
OPTION 2: At least 25% of units are set-aside for households that meet one the "special needs population" definitions in Indiana Code 5-20-1-4.5 listed below* • Persons with physical or developmental disabilities • Persons with mental impairments • Persons with chemical addictions *Elderly are included in the Code definition but are excluded in this option as this target population is addressed in Option 1 above. A household with a disability will be defined as a household in which at least one member is a person with a disability using the Fair Housing definition of disabled (see glossary). Applicants electing this targeting option must enter into a referral agreement with a qualified organization that provides services for the target population. See part 4.1(F) of the *Federal Programs Ongoing Rental Compliance Manual* for more information on referral agreements. Submit Form E: Special Needs Population Referral Agreement Form in "**Tab M_Project Characteristics**". Form E can be found by following the "HOME Additional Forms" link on the IHCDA HOME Program website; *OR*	4
OPTION 3: At least 30% of units are set-aside for households meeting at least one of the following designations: • Single parent, grandparent, or guardian head of households • Victims of domestic violence • Abused children • Families with children six and under • Veterans (As defined in the IHCDA HOME Rental Policy Glossary)	4

In order to receive points under Option 1 above, developments must satisfy the following criteria:

New Construction:

- All common areas must be accessible and 100% of the units must be Accessible units, Type A units, 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.
    - The originally signed HOME application will serve as certification that the development will comply with these requirements.

Rehabilitation:

- All common areas on the main floor must be accessible and 100% of the ground floor units must be Accessible units, Type A units, or Type B units in accordance with Chapter 10 of the ICC A117.1. If the building(s) contained elevator(s)/lift(s) prior to rehabilitation, the elevators/lifts will need to be maintained and all common areas must be accessible and 100% of the units above the ground floor will need to be Accessible units, Type A units, or Type B units in accordance with Chapter 10 of the ICC A117.1.
    - The originally signed HOME application will serve as certification that the development will comply with these requirements.

4) *Opportunity Index* *Maximum Number of Points:* *10*

Applicants may earn up to ten points (with two points for each feature) for developments located within areas of opportunity. Points for scoring categories calculated using continuously updated statistics (e.g. unemployment rate, job growth, etc.) will be determined based upon the most recent data available **at the time of application submittal.** Changes in data occurring **after** preliminary scores are determined will not be considered when determining final scores.

- **Public Transportation** (2 points): Points will be awarded to developments located within a mile of a public transit station or bus stop. For communities with a population of 14,999 or less, point-to-point transportation is eligible as long as it is provided by a public or not-for-profit organization and is available to all residents of the development. Taxis, Uber, or other ride-sharing programs are not eligible for points. For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

  In order to receive points for this scoring subcategory, the applicant must submit in **Tab M_Project Characteristics**:
    - For single sites: A mile radius drawn from the project location with transit stations or bus stop locations labeled.
    - For scattered sites: A mile radius drawn from each bus stop or transit station with all qualifying scattered site labeled.
    - For point-to-point transportation: Documentation that the point-to-point transportation is provided by a public or not-for-profit organization and is available to all residents.

- **Unemployment Rate** (2 points): Points will be awarded to developments located within a county that has an unemployment rate below the state average. Unemployment rate information can be found here: http://www.stats.indiana.edu/maptools/laus.asp. For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

- **Job Growth** (2 points): Points will be awarded to developments located within a county that has a 12 month change in employment percentage in the top half of the state using the Department of Labor's Quarterly Census of Employment and Wages as listed on https://beta.bls.gov/maps/cew/us. Scores will be determined using the most recent time period for which data is available for all 92 Indiana counties. For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

- **Employer Proximity** (2 points): Points will be awarded to developments located within five miles of at least one of a county's top 25 employers. County employer data can be found at http://www.hoosierdata.in.gov/buslookup/BusLookup.aspx. For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

  In order to receive points for this scoring subcategory, the applicant must submit in **Tab M_Project Characteristics**:
    - For single sites: A five mile radius drawn from the project location with the location of qualifying employers labeled.
    - For scattered sites: A five mile radius drawn from each qualifying employer with all qualifying scattered site labeled.

- **Poverty Rate** (2 points): Points will be awarded to developments located within a county that has a poverty rate below the state average (http://opportunityindex.org/). For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

- **County Median Household Income** (2 points): Points will be awarded to developments located within a county that has a median household income above the state average (http://opportunityindex.org/). For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

- **Census Tract Income Level** (2 points): Points will be awarded to applicants proposing developments located in higher income neighborhoods compared to surrounding areas. Points will be determined according to the Federal Financial Institutions Examination Council's (FFIEC) income level of its census tract. Find the census tract income level by entering the project address at the FFIEC website (https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx) and clicking "Census Demographic Data" below the matched address. For scattered site developments, points will be averaged according to the number of units within each income level.

FFIEC Income Level	Points
Upper	2
Middle	1
Moderate	0.5
Low	0

5) Health and Quality of Life Factors *Maximum Number of Points: 8*

Applicants may earn up to eight points for developments located in counties with high health outcomes or in areas in close proximity to fresh produce and other positive land uses. Points for scoring categories calculated using continuously updated statistics (e.g. unemployment rate, job growth, etc.) will be determined based upon the most recent data available at the time of application review. Changes in data occurring after preliminary scores are determined will not be considered when determining final scores.

- **Health Factors** (2 points): Points will be awarded to developments located within a county that has 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) (For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

- **Fresh Produce** (2 points): Points will be awarded to applicants proposing developments located within a mile of a supermarket or grocery store with fresh produce. For scattered site developments, at least 75% of the proposed homes must meet this requirement to be eligible for points.

  Stores with fresh produce must:
  - Be currently established;
  - Have a physical location; and
  - Have regular business hours.

  Staff will independently verify that the location meets the above requirements. As part of the clarification process, the applicant may be required to provide additional information. For the purposes of this scoring subcategory, farmers' markets, produce stands, gas stations, convenience stores, and drug stores do not qualify.

  In order to receive points for this scoring subcategory, the applicant must submit in **Tab M_Project Characteristics**:
  - For single sites: A mile radius drawn from the project location with store or market locations labeled.
  - For scattered sites: A mile radius drawn from the fresh produce location(s) with each qualifying scattered site labeled.

- **Proximity to Positive Land Uses** (4 points): Points will be awarded to applicants proposing developments located within three miles of the locations listed in the table below. A maximum of four points is available in this category. For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

Site	Points
Community or recreation center	1 point
Park or public greenspace	1 point
Primary care physician or urgent care facility	1 point

Pharmacy	1 point
Sidewalks or Trails	.5 point
Clothing, department store	.5 point
Bank	.5 point
Education facility	.5 point
Licensed child care facility	.5 point
Social service center	.5 point
Government office (e.g. town hall, trustee's office)	.5 point
Post Office	.5 point
Public Library	.5 point
Cultural arts facility	.5 point

In order to receive points for this scoring subcategory, the applicant must submit in **Tab M_Project Characteristics**:

- For single sites: A map with a three mile radius drawn from the project location with each positive land use labeled.
- For scattered sites: Map(s) with a three mile radius drawn from the qualifying location(s) with each scattered site labeled.

6) Digital Divide Index[3] *Maximum Number of Points: 2*

Up to 2 points will be awarded to Developments based on the Digital Divide Index (DDI) score of the census tract in which the Development is located. The DDI measures a number of different variables related to broadband infrastructure, broadband adoption, and demographic variables known to impact technology adoption. The DDI ranges in value from 0 to 100, where 100 indicates the highest digital divide and, therefore, areas where broadband infrastructure will be most impactful. Applicants may consult the DDI Score Index found on the Rural Indiana Stats website or in the HOME Additional Documents folder located on the IHCDA HOME Program Website.

All applicants are eligible for points in this category as broadband infrastructure is required for all new construction or rehabilitation projects of more than four rental units as described in Section 3.3 of this policy. Points will be awarded based upon the following distribution:

DDI Score Range	Points
0 – 29.45	0.5
29.46 – 39.15	1
39.16 – 49.33	1.5
49.34 – 100	2

For scattered site projects, applicants will receive points corresponding to the DDI Score Range in which the majority of Development units can be found. If there is a tie for the DDI Score

[3] Digital Divide Index produced by Dr. Roberto Gallardo, Purdue University Center for Regional Development and Extension Community Development Program; December 2018.

Range with the most units, an average will be taken and rounded to the nearest whole number.

In order to receive points, the applicant must submit in **Tab M_Project Characteristics:**

- A list of the Development address (or addresses if scattered site) with corresponding census tracts.

7) Reducing the Impact of Eviction *Maximum Number of Points: 3*

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 IHCDA 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.

- 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 IHCDA for review and approval. The plan will be reviewed as part of IHCDA ongoing compliance monitoring to ensure this requirement remains in place.

The originally signed HOME application will serve as certification that the development will comply with the selected scoring options.

8.2 Development Features **Category Maximum Points Possible: 33**

1) *Existing Structures* *Maximum Number of Points: 6*

Points will be awarded to developments that utilize existing structures on at least 50% of the HOME assisted units. Developments receiving points in the Infill New Construction category are not eligible for points in the Existing Structure category.

Existing Structure	Points
Development is rehabbing at least 50% of the square footage of a vacant structure(s) for housing; **OR**	5
Development is rehabbing at least 50% of the units or square footage, whichever is greater, of existing housing stock; **OR**	5
Development is rehabbing existing Federally Assisted Affordable Housing	6

In order to receive points, the applicant must submit in **Tab N_Development Features:**

- Documentation confirming the existing structure is vacant. This requirement can be satisfied by submitting two or more of the following:
  - A letter from the local unit of government;
  - Current interior and exterior photos of the building;
  - Applicant self-certification on official letterhead confirming the building is 100% vacant.
- Documentation of the total square footage of the existing structure and the total square footage that is being rehabbed.
- For existing Federally Assisted Affordable Housing rehabilitation, submit documentation from the entity enforcing affordable housing requirements evidencing the rent and income restrictions applicable to such property including the term of such restrictions.

2) *Historic Preservation* *Maximum Number of Points: 2*

Points will be awarded to a development that contains at least one unit that is a historic resource to the neighborhood.

In order to receive points, the applicant must submit in **Tab N_Development Features:**

- Either a letter or report from the National Park Services, or Department of Natural Resources Division of Historic Preservation and Archaeology that specifically identifies the site as a historic resource or contributing to a historic district; or
- A photocopied page from the most recent county Indiana Sites and Structures Interim Historic Report showing the structure is Contributing, Notable, or Outstanding in the County's Interim Report.

3) *Infill New Construction* *Maximum Number of Points: 5*

Points will be awarded to developments that utilize new construction on at least 50% of the HOME assisted units. Developments receiving points in the Existing Structure category are not eligible for points in the Infill New Construction category.

Points will be awarded to demolition and new construction developments that meet IHCDA's HOME criteria for infill. For the HOME program, IHCDA 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. At least two sides of the project must be adjacent to occupied residential development, operating commercial development, active public space, or another active community activity.

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 five years except within corporate limits; or
- Existing structures that will be rehabilitated.

In order to receive points, the applicant must submit in **Tab N_Development Features:**

- Aerial photos of the proposed site(s) with the site labeled;
- For scattered site projects, all of the proposed development sites must meet the infill attribute scoring criteria to receive points.

4) *Provision of Additional Bedrooms* *Maximum Number of Points: 4*

Points will be awarded to developments where at least 20% of the HOME assisted units contain three or more bedrooms.

In order to receive points, the applicant must submit in **Tab N_Development Features:**

- Preliminary floor plans that clearly identify the units with three or more bedrooms.

5) *Design Features* *Maximum Number of Points: 4*

Points will be awarded for each design feature chosen, for a maximum of four points in this category.

Design Feature	Points
Exterior walls are at least 50% durable material (brick, stone, or cement board)	1
Includes LED lighting	1

Roofing system has at least a 30-year warranty (must provide supporting documentation from the manufacturer to qualify)	1
Covered Porch at the front entrance	1
Deck or patio for each unit with a minimum of 64 square feet that is made of wood or other approved materials	1
Framing consists of 2” X 6” studs to allow for higher R-Value insulation in walls	1
Garage that is made of approved materials, has a roof, is enclosed on all sides and has at least one door for vehicle access	1
Crawl space or basement	1
Exterior security system (e.g. cameras monitoring building exterior and lighting that provides coverage of the entire property)	1
Interior security system (e.g. each unit is provided with an alarm on entry doors or a doorbell monitoring system)	1
Carport that is made of approved materials, has a roof, and is open on at least two sides	1
Attached or unattached storage space measuring at least 5' x 6' (not a mechanical closet)	1
ALL entrances are no-step entrances	1
Intercom	1
Play areas designed in accordance with ADA Guidelines	1
Community room	1

6) *Universal Design Features* *Maximum Number of Points:* 5

Points will be awarded for applicants that propose developments that go beyond the minimum universal design features threshold requirements. Please refer to the Universal Design Features Form for a list of all qualifying features. This form can be found using the “Additional Rental Forms” link on the IHCDA HOME Program website: http://www.in.gov/myihcda/home.htm.

The applicant will be required to submit the Universal Design Features Form identifying all features to which the applicant has committed. Changes to these selections will require submittal of a formal modification request to IHCDA. The applicant will be awarded points as follows:

Number of Universal Design Features in Each Column	Points
5	5
4	4
3	3

7) *Smoke-Free Housing* *Maximum Number of Points:* 3

Points will be awarded if the development commits to operate as smoke-free housing. In order to receive points, the applicant must submit in **Tab N_Development Features:**

A smoke-free housing policy that addresses (at a minimum) the following items:

- Definition of who the rule applies to (e.g. not only residents but also their guests on the property, staff, etc.);
- Definition of smoking;
- 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 prohibit smoking within a minimum of 25 feet of any buildings;
- Explanation of how the smoke-free rules will be communicated and enforced;
- 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
- A draft smoke-free housing lease addendum that will be signed by all households must be included along with the plan.

IHCDA recommends the American Lung Association of Indiana's "Smoke-free Housing Indiana Toolkit" as a resource to create a smoke-free housing policy. See http://insmokefreehousing.com for more information.

8) *Green Building* *Maximum Number of Points: 5*

Up to five points will be awarded for the green building techniques listed below. The signed application forms will be proof of these commitments.

Green Building Technique	Points
Orient structures on East/West axis for solar exposure	1
Include new trees in landscaping to curb winter winds and provide shade	1
Low VOC paints and finish materials (The US Green Building Council standards can be found here.)	1
Install flow reducers in faucets and showers	1
Install recycled content flooring and underlayment	1
Install Energy Star certified roof products	1
Low flow (1.28 gallons per flush) toilets or dual flush toilets	1
R-Value insulation exceeding Indiana State Building Code	1
Incorporate permeable paving	2
Install high-efficiency, tank-less water heaters	2
Energy Star certified windows	2
All appliances Energy Star certified	2
Energy Star certified HVAC system	2
Use on-site solar energy to reduce resident utility costs	2

9) *Internet Access* *Maximum Number of Points: 4*

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

Internet Access – Common Areas	Points
Free wireless high-speed broadband internet is provided in a common area such as a clubhouse or community room.	1 point

Internet Access – Individual Units	Points
Applicant commits to provide each unit with free individual high-speed broadband internet; **OR**	2 points
Applicant commits to provide each unit with free wireless individual high-speed broadband internet.	3 points

One point for providing wireless internet in a common area is available to applicants regardless of whether free internet is provided to each unit.

Please note that HOME funds may not be used to pay for internet service but may be used for infrastructure costs.

In order to receive points, the applicant's operating budget must include a line item for internet expenses incurred by the Owner.

The applicant must identify in the HOME application the Internet Service Provider that will be serving the Development.

In order to receive points, the applicant must submit in **Tab N_Development Features:**

- Documentation from the identified Internet Service Provider establishing the total cost of internet service for the development, either as a whole or on a per-unit basis, **OR,** if the applicant is unable to obtain such documentation;
- A narrative from the applicant establishing how the amount budgeted for internet service was calculated

8.3 Readiness **Category Maximum Points Possible: 8**

This category describes the applicant's ability to begin and timely execute an awarded project.

1) *Predevelopment Activities* *Maximum Number of Points:* *5*

Points will be awarded to applicants that have completed some predevelopment activities according to the chart below. Applicants are eligible to receive up to five points. Points will only be awarded if the required supporting documentation, italicized below the activity description, is included in **Tab I_Readiness.**

For scattered site developments, documentation for each site must be submitted in order to receive the points. Documents should be clearly labeled with the site addresses for ease in reviewing the documentation.

Predevelopment Activity Completed	Points
Asbestos Testing *Submit a copy of the assessment report.*	1
Appraisal *Provide an appraisal that is no older than 6 months. Appraisals submitted by applicants requesting HOME for acquisition purposes are ineligible for points in this category.*	1
Property Survey *Provide an electronic copy of the property survey.*	1
Capital Needs Assessment/Structural Needs Report *Provide a copy of the report performed by a licensed professional.*	1
CHDO Predevelopment Loan *Applicants with a CHDO Predevelopment Loan for the current HOME application are eligible for two points. The following requirements apply to this scoring item:* • *The CHDO Predevelopment Loan must have been approved by the IHCDA Board of Directors at least 30 days prior to the HOME application due date.* • *The applicant may not have more than five currently open or pending CHDO Predevelopment Loans, including all loans submitted as part of the current HOME funding round.* • *If the applicant received points in this category in the most recent HOME funding round prior to the current round, the applicant must have expended at least 25% of each CHDO Predevelopment Loan that qualified for points in that round.*	2

Comprehensive Community Plan *Provide a copy of ONE plan for each jurisdiction that meets all of the following criteria:* • *Specific references to the creation of or need for housing* • *No older than 15 years* • *Public participation and narrative about efforts leading to the creation of the plan* • *A target area map with the proposed development sites labeled* • *Resolution showing adoption by the highest local unit of government*	2

2) *Contractor Solicitation & Participation* *Maximum Number of Points: 3*

Contractor Solicitation & Participation	Points
Invite Material Participation in the Proposed Development by Indiana MBE/WBE/DBE/VOSB/SDVOSB contractors	1
Development Team Member is an Indiana MBE/WBE/DBE/VOSB entity	2

One point will be awarded to applicants who invite material participation in the proposed development by Indiana contractors. To qualify for these points, a minimum of five letters inviting contractors to participate in the bidding of the project must be sent, with at least one of these letters going to state certified Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Federal Disadvantaged Business Enterprises (DBE), Veteran- Owned Small Businesses (VOSB), and/or Service Disable Veteran Owned Small Businesses (SDVOSB).

An additional two points will be available to applicants with an Indiana MBE/WBE/DBE/VOSB/SDVOSB entity serving as a formal member of the project's development team. An applicant that is certified as an Indiana MBE/WBE/DBE/VOSB/SDVOSB is also eligible for points in this category.

In order to receive points for contractor solicitation, the applicant must submit in **Tab I_Readiness**

- A copy of the letter sent to *each* contractor inviting participation in the bidding of the project,
- Evidence of receipt of invitation, either by certified mail or e-mail read receipt, by at least five contractors, and
- A copy or print out from the State's certification list clearly indicating that at least one of the contractors solicited meet the MBE/WBE/DBE/VOSB/SDVOSB status requirement.

In order to receive points for having an Indiana MBE/WBE/DBE/VOSB/SDVOSB development team member:

- The qualifying development team member must be listed in the Development Team Member section of the IHCDA HOME Rental Application;

- A letter of intent to participate in the project must be submitted by the qualifying development team member in **Tab I_Readiness.** If the qualifying development team members is the applicant, this letter of intent is not required.
- A copy or print out from the State's certification list clearly indicating that the qualifying development team member meets the MBE/WBE/DBE/VOSB/SDVOSB status requirement.

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://midstatesmsdc.org/
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2576.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/

8.4 Capacity **Category Maximum Points Possible: 21**

This category evaluates the applicant's ability to successfully carry out the proposed project based on certifications and/or experience in affordable housing development. **Please note that the Overall Performance of Applicant, Administrator Experience, and Applicants with Non-IHCDA Experience categories are mutually exclusive. Applicants may not mix and match entities in order to maximize points (e.g. an applicant with an administrator may not use the applicant experience to earn points in the Overall Performance of Applicant category while using administrator experience to earn points in the Timely Expenditure of Funds and Inspection Performance category).** The following table lists the eligibility by entity for each scoring category:

Entity (All Experience Must Be Within Five Years of Application Due Date)	Certifications	Overall Performance of Applicant	Administrator Experience	Timely Expenditure of Funds	Inspection Performance	Applicants with Non-IHCDA Experience	CHDO Certification
Applicant w/ IHCDA Experience	Eligible	Eligible	Ineligible	Eligible	Eligible	Ineligible	Eligible
Applicant w/ No IHCDA Experience	Eligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Eligible
Administrator w/ IHCDA Experience	Eligible	Ineligible	Eligible	Eligible	Eligible	Ineligible	Ineligible
Administrator w/ No IHCDA Experience	Eligible	Ineligible	Ineligible	Ineligible	Ineligible	Eligible	Ineligible

1) *Certifications* *Maximum Number of Points: 3*

Points will be awarded for a member of the development team, property management team, applicant, and/or administrator staff who has completed the following certifications. Three points will be awarded for the completion of two of the six certifications listed below. The completion of only one of the certifications below will receive two points. If two staff members hold the same certification, points will be awarded for two certifications.

If you do not see a certification you have received on the list that you believe would be relevant, please consult with your Real Estate Production Analyst at least one week prior to the application due date to request that it be eligible for points.

Required IHCDA Compliance Trainings, IHCDA application and policy webinars, IHCDA application and policy trainings, and IHCDA feedback sessions are not eligible for points in this category.

Attach copies of the certification completion in **Tab O_Capacity**.

Certification	Sponsoring Organization
CHDO Capacity Building Certification (Must have attended all webinars in either 2016 or 2017)	Indiana Housing and Community Development Authority (IHCDA)/HPG Network
CHDO Executive Training (Must have graduated)	Indiana Housing and Community Development Authority (IHCDA) /
Project Development Training	Prosperity Indiana
Housing Development/Rental Housing Development Finance Professional	National Development Council (NDC)
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis / Indiana Housing and Community Development Authority
Grant Administration Certification	Indiana Housing and Community Development Authority (IHCDA)
Certified HOME Program Specialist	HUD/CPD
HOME Regulatory Trainings (Must have attended all three sessions)	IHCDA

2) *Overall IHCDA Award Performance of the Applicant* *Maximum Number of Points:* 8

Applicants with an IHCDA award monitored within the past five years, as determined by the date of the IHCDA Monitoring Results letter, may be eligible for points based on the applicant's overall performance. Only the most recently monitored award is eligible for points. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Applicants cannot qualify for points under both the New Administrator Experience and IHCDA Award Performance.

Description of Overall Award Performance	Points
Applicant's most recently monitored HOME award had no findings and no concerns.	8
Applicant's most recently monitored HOME award had no findings, but concerns were noted. **OR** No HOME experience, but **Applicant's** most recently monitored CDBG award had no findings and no concerns.	6
Applicant's most recently monitored HOME award had only one finding. **OR** No HOME experience, but **Applicant's** most recently monitored CDBG award had no findings but concerns were notes.	4

Most recently monitored HOME award had more than one finding and the close-out monitoring review letter was received within:	
• One Year or Less:	0
• Two Years to One Year and One Day:	0.5
• Three Years to Two Years and One Day:	1
• Four Years to Three Years and One Day:	1.5
• Five Years to Four Years and One Day:	2
The above timeframes will be determined using the HOME application due date. In order to receive points in this category, the applicant/administrator must submit a narrative describing how the identified findings were addressed and remedied. This narrative may be submitted in **Tab O_Capacity.**	
Does not meet any category above. Examples: • Applicant has no experience with IHCDA within the past five years. • Applicant has no HOME experience in the past five years and its most recently monitored CDBG award had findings.	0

3) *Administrator Experience* *Maximum Number of Points:* *5*

Only applicants without an IHCDA award in the past five years, as determined by the current HOME round's application deadline, that have properly procured an administrator with previous IHCDA HOME experience may receive points in this category. Five points will be awarded if the administrator has successful experience administering an IHCDA HOME award that has been monitored within the past five years. In order to qualify for points, the most recently monitored award must not have had any findings. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Experience	Points
Administrator's most recently monitored HOME award had no findings.	5

4) *Timely Expenditure of Funds* *Maximum Number of Points:* *5*

Points will be awarded to an applicant or administrator that has expended their most recent IHCDA award (HOME or CDBG) funds by the award expiration date without requesting award extensions. The award must be from within the past five years, as determined by the award's execution date. For applicants with multiple awards with the same expiration date, ALL awards must meet the requirement to be eligible for points. Please list the award number(s) in the application forms.

Award Length	Points
Applicant or administrator's most recent IHCDA award (HOME or CDBG) completed by the award expiration date.	5

5) *IHCDA Award Inspection Performance of the Applicant* *Maximum Number of Points: 2*

Applicants or administrators with an IHCDA award inspected within the past five years, as determined by the final inspection report, may be eligible for points based on their IHCDA inspection results. Points will be awarded if zero building code issues were noted on their last monitored inspection of their most recent award.

6) *Applicants with Non-IHCDA Experience* *Maximum Number of Points: 3*

Applicants without previous IHCDA experience in the past five years, as determined by the current HOME round's application deadline, that do not intend to hire an administrator may qualify for three points if they can demonstrate relevant prior experience working in affordable housing development within the past five years. In order to qualify for points in this category applicants must submit a narrative summarizing their previous experience. Supplemental documentation may be submitted as well, including, but not limited to, organizational and personal resumes, pictures and descriptions of previously completed projects, and testimonials from individuals and/or communities that the applicant previously partnered with or served. Points will be awarded at the discretion of IHCDA staff following the review of all documentation submitted.

The applicant narrative and any supporting documentation must be submitted in **Tab O_Capacity.**

Applicants that have previous IHCDA experience or that will be utilizing administrators are **NOT** eligible for points in this category.

7) *CHDO Certification* *Maximum Number of Points: 3*

An applicant that applies and is certified as a Community Housing Development Organization will receive three points.

8.5 Leveraging of Other Sources — Category Maximum Points Possible: 6

Points will be awarded to applicants whose proposed project has received a firm commitment to leverage other funding sources. A "firm commitment" means that the funding does not require any further approvals.

"Other Funding Sources" include (but are not limited to) private funding, funds from a local community foundation, volunteer labor, Federal Home Loan Bank funding, federal, state or local government funds, in-kind donations for labor or professional services, sweat equity, donated material and equipment. Labor, property, funds, or other sources of leveraging donated by the applicant to itself, or by a principal or investor in the development, are not eligible. Banked or shared match is not eligible. Other IHCDA resources (e.g. Development Fund) are not eligible for this scoring category.

Points will be awarded based on the Amount of Funding divided by the Total Development Costs:

Percentage of Total Development Costs	Points
.50% to 1.99%	1
2.00% to 3.99%	2
4.00% to 5.99%	3
6.00% to 7.99%	4
8.00% to 9.99%	5
Greater than 10%	6

To receive points in this category, the applicant must submit the following in **Tab L_Financial Commitments:**

- Provide a letter from the appropriate authorized official approving the funds. The letter must include a description of the type of approved funding for the proposed development and the amount of funding.
- In-Kind Donations – Labor or Professional Services: Submit commitment letter from donor(s) specifying number of hours they intend to donate and their professional service pay rate.
- In-Kind Donations – Sweat Equity: Submit a copy of sweat equity policy.
- In-Kind Donations – Donated Material and Equipment: Submit commitment letter from donor(s) specifying either the total value of the donated materials or the rental equipment rate and number of hours the equipment will be donated.

8.6 Unique Features & Bonus **Category Maximum Points Possible: 9**

1) *Unique Features* *Maximum Number of Points: 4*

Points will be awarded to applicants that offer unique features that contribute to each of the beneficiary units of the proposed project. Unique features should be a creative addition to the proposed program. They should enhance the overall character of the proposed development, improve the beneficiary units and the community's quality of life, health, and/or safety. Unique features can be included in the financial structure of the project, involve members of the community, or include items specific to the target area/project location.

Points are awarded relative to other projects being scored during each application cycle and are awarded in IHCDA's sole and absolute discretion. Each applicant may identify up to **three** unique features. The first three unique features identified will be the ONLY items considered when scoring this category. If more than three unique features are listed, only the first three listed will be considered when scoring. If an applicant submits no unique features they will receive zero points.

The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of four points.

Percentage of Applications	Points
10%	1
40%	2
40%	3
10%	4

In order to receive points in this category, the applicant must submit the following in **Tab N_Development Features:**

- Provide a narrative summary of the proposed unique features. Features receiving points in other sections of this application will not be considered for Unique Feature points. Each applicant may list the **three** most unique features of their project. Only the first three unique features listed will be considered when scoring this category.

2) *Bonus* *Maximum Number of Points: 5*

Points will be awarded based upon the scoring table below to applications that are submitted according to IHCDA's submittal guidelines and which pass threshold with two or less technical corrections, as defined in the IHCDA HOME Policy Glossary.

Technical Corrections	Points
One or Less	5
Two	3
Three or More	0

To receive points in this category, the applicant must:

- Submit a searchable PDF of the application on OneDrive ;
- Submit an Excel file of the application on OneDrive;
- Submit one USB Flash Drive with all documents
- Answer all questions in the policy and application;
- Submit all required threshold items in the correct tabs;
- Submit all required threshold items on OneDrive; and
- Label and include all tabs on OneDrive as described in the Application Policy. All tabs must be included regardless of whether documentation is required in each tab.

Part 9: Glossary of Terms

Below are definitions for commonly used terminology found throughout the IHCDA HOME application policy and forms and applicable to the IHCDA HOME program.

Administrator: A procured entity that will assist carrying out the HOME award.

Aging in Place: - Aging in Place (AIP) refers to adapting our collective living environment so it is safer, more comfortable, and increases the likelihood a person can live independently and remain at home as circumstances change. Primary target populations for aging in place strategies are seniors, families with seniors, and persons with disabilities.

Beneficiary: The household or unit that received homeowner repair work as a result of the HOME award.

CHDO: A Community Housing Development Organization. A non-profit, community- based organization with the capacity to develop affordable housing for the community it serves, as defined in the HOME rule and as certified by IHCDA. Participating Jurisdictions (IHCDA) must set aside a minimum of 15% of their HOME allocations for activities in which CHDOs are the owners, developers, and/or sponsors of the housing.

Clarification: A clarification is any question or concern IHCDA may have regarding an applicant, proposed development, or other issue that does not meet the definition of a technical correction, as defined below. The number of clarifications an applicant receives will not impact its score.

Comprehensive Community Development: Every community strives to be a place where people choose to live, work, and play. Comprehensive development means that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because of the unique synergy they generate. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. Comprehensive development marshals resources and deploys coordinated strategies in a concentrated area to create opportunities for others in the community to take prudent risks and reap the rewards. The demolition of blighted structures, the rehabilitation of long-vacant housing and the creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

Development: The HOME activity proposed in the application.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: Elderly can have one of two definitions as elected by the applicant:

- A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older. For housing using this definition of elderly, at least 80% of the units must be age restricted; OR
- A person 62 years of age or older. This target population only includes households in which all household members are 62 years of age or older. For housing using this definition of elderly, 100% of the units must be age restricted.

HOME: The Home Investment Partnerships Program as created by the National Affordable Housing Act of 1990.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum income limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Large City: For purposes of this policy, a large city is defined as a city with a population of 75,000 or more. To qualify as being located within a large city, the project must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

Median Income: A determination made through statistical methods establishing a middle point for determining income limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a document describing a bilateral or multilateral agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the project.

Referral Agreement: An agreement in which the recipient and a qualified organization enter into an agreement in which the recipient agrees to (a) set aside a number of units at the project for a special needs population and (b) notify the qualified organization when vacancies occur, and in which the qualified organization agrees to (a) refer qualified households to the project and (b) notify clients of vacancies at the project.

Rent Limits: The HUD published maximum rent amount, including a utility allowance and any non-optional fees. Rent limits are published by bedroom size and by AMI level.

Rural: A project is considered to be rural if it meets one of the following criteria:

a. The project is located within the corporate limits of a city or town with a population of 14,999 or less; or

b. 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 this glossary; or

c. The project is located in an unincorporated area of a county whereas;

i. The project is outside the 2-mile jurisdiction of either a large city or small city as defined in this glossary; and

ii. The project does not have access to public water or public sewer from either the large city or small city as defined in this glossary.

Small City: For purposes of this policy, a small city is defined as a city with a population of between 15,000 and 74,999. To qualify as being located within a small city, the development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).

Technical Correction: A technical correction occurs when an applicant does not provide sufficient information or documentation to meet the IHCDA HOME program threshold requirements as defined in section 7.2 of this policy. Technical Corrections may occur when the required information or documentation is not submitted, is out-of-date, or is vague or incomplete. IHCDA reserves the right to classify other application errors or omissions as technical corrections at its own discretion. Applicants that receive two or less technical corrections may receive bonus points as defined in the Bonus scoring section of this policy.

Veteran: A person who served in the active military, naval, or air service.

Visitability: Visitability is defined as design concepts 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, an accessible bathroom on the main level, etc. Visitable units must comply with the Type C unit criteria in ICC A117.1 Section 1005.

Part 10: Development Fund

10.1 Overview

The Indiana Affordable Housing and Community Development Fund ("Development Fund") was established in 1989 to provide financing options for the creation of safe, decent, and affordable housing and for economic development projects in Indiana communities. Development Fund regulations may be found in Indiana Code 5-20-4. Developments also involving federal funding (e.g. HOME Investment Partnership Program or Community Development Block Grant), tax-exempt bonds, or Low-Income Housing Tax Credits ("LIHTC") must comply with the requirements of those programs.

The maximum Development Fund loan request is $500,000 per application. Based on availability of funding, IHCDA may, at its discretion, issue a RED Notice prior to a funding round to reduce the amount allowed per application. The $500,000 maximum request will also apply at a project level. An applicant who divides an existing project or contiguous sites into multiple applications will only be allowed to request $500,000 total for the project, not $500,000 per application.

For more detailed information on the Development Fund program please consult the Development Fund Manual.

10.2 How to Apply

Development Fund awards are approved through the supplemental application with the HOME Investment Partnership Program application. IHCDA may request more information for the Development Fund application.

Applicants must provide documentation on how they will fill the financial gap, should the Development Fund not be approved, or if the Development Fund is not available. Applicants who cannot provide adequate documentation or explanation on how all sources are to be committed will not be considered for funding for this round.

In addition, a non-profit applicant must submit a borrowing resolution passed by its Board of Directors authorizing submission of the loan request. The applicant must use IHCDA's template borrowing resolution form as found on the Development Fund webpage.

10.3 Eligible Applicants

Applicants eligible to apply in conjunction with a HOME application include nonprofit corporations and local units of government. IHCDA must allocate at least 50% of the fund to recognized nonprofit corporations under Section 501(c)(3) of the U.S. Internal Revenue Code.

Awardees with current Development Fund awards are eligible to apply for additional funding. All outstanding awards must be current (if loans), in compliance with all program requirements, and otherwise in good standing in order to be considered for additional awards. However, no individual project sponsor or its affiliates may hold more than 20% of the Development Fund's total portfolio at any one time.

Individuals or organizations currently on IHCDA's suspension or debarment list are not eligible to apply for Development Fund awards.

10.4 Eligible Beneficiaries

At least 50% of the Development Fund assisted units must be occupied by households whose incomes are at or below 50% of the area median income adjusted for household size ("AMI"), and the additional Development Fund-assisted units must be for incomes at or below 80% of AMI. The required number of Development Fund assisted units restricted at 50% AMI income and rent limits is determined by the following calculation:

- 50% of the Development Fund assisted units (as defined below); or
- If there are 50 or more units in the development, the number of units set aside at 50% AMI is the greater of 50% of the assisted units (as defined below) or 10 units.

10.5 Eligible Residential Activities

Eligible HOME activities include, but are not limited to, acquisition, new construction, and/or rehabilitation of homes for sale, permanent rental units, and permanent supportive housing projects that have successfully completed the Indiana Supportive Housing Institute.

10.6 Eligible Activity Costs

For more information on eligible and ineligible activity costs please see §1.8 and §1.9 of the Development Fund Manual. Questions about eligible vs. ineligible soft costs under the Development Fund program can be directed to the IHCDA Underwriting and Closing Manager.

10.7 Match Requirements

Applicants for Development Fund must be able to document a local match in an amount of at least 10%. Acceptable match sources include in-kind donations, donated land, owner equity, building materials, loans, cash grants, or any combination of both in-kind and cash. Other sources of match may also qualify, **except for funds administered by IHCDA**.

10.8 Development Fund Activity Provisions

The Development Fund may provide loans or grants up to $500,000 per development. Development Fund grants will only be made in conjunction with special IHCDA initiatives as announced by IHCDA. Except for these special initiatives, IHCDA will only accept Development Fund applications for loans.

The Development Fund may be used for the following types of loans:

- Pre-development: to pay project pre-development expenses;
- Acquisition: to pay for purchase and closing costs for property acquisition;
- Construction: to pay for hard and soft costs of new construction and rehab projects;
- Permanent: to provide permanent financing to the project; and/or
- Bridge: financing to bridge the timing gap between project or program costs and cash from committed sources not yet available (equity).

Homebuyer projects are not eligible for permanent or bridge financing.

10.9 Loan Terms

The applicant may propose a loan term of up to two years of construction financing and up to fifteen years of permanent financing. For Developments with HUD financing (not HOME), the permanent loan term may exceed 15 years to match the term of the HUD loan. Amortization schedule will be a maximum thirty year amortization schedule or coterminus with first-mortgage financing (whichever is less).

Applicants receiving Development Fund loans must demonstrate the ability to repay the loan. If the loan will not take first or second position behind permanent financing, the developer must receive IHCDA approval. The base interest rate for loans is 3%. The interest rate offered by IHCDA will be determined during underwriting. Underwriting will start at 3% and make a final determination based on financial capacity.

10.10 Underwriting Guidelines

For more information on underwriting guidelines please see §2.4 of the Development Fund Manual. Questions about these guidelines can be directed to the IHCDA Director of Real Estate Lending.

10.11 Affordability Period/Lien and Restrictive Covenants

Rental developments will be subject to a Lien and Restrictive Covenant Agreement that must be executed against every residential property constructed, rehabilitated, or acquired, in whole or in part, with Development Fund funds. If the award is made in conjunction with HOME or CDBG funding, the development will be subject to the applicable program affordability period.

Upon occurrence of any of the following events during the affordability period, the entire sum secured by the lien, without interest, shall be due and payable by developer and/or owner upon demand. Repayment may be demanded upon: (1) transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the affordability period; (2) commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the affordability period; or (3) determination that units are not being used as a residence by a qualifying tenant or not leased according to the program affordability requirements. The award recipient will be responsible for repaying IHCDA. At the end of the affordability period, if the borrower/recipient has met all conditions, the lien will be released.

10.12 Income and Rent Restrictions/Ongoing Compliance

All Development Fund-assisted units in residential developments must be income and rent restricted. If the award is made in conjunction with HOME funding or is Development Fund only, then the HOME program income and rent limits will apply. Developments with Development Fund combined with another program must follow the recertification requirements of that program.

Please note the Development Fund requires 50% of the development funds units to be at 50% or below AMI.

When Development Fund is combined with other funding sources, the audit/inspection cycle will occur based on the cycle and frequency prescribed by that program.

10.13 Determining Development Fund Assisted Units

The percentage of total development costs attributable to the Development Fund represents the percentage of units that will be considered Development Fund assisted. For example, if development costs are $2,000,000 and the applicant is requesting $500,000 in Development Fund financing, then 25% of the construction financing is via the Development Fund. As such, 25% of the units will be assisted with the Development Fund and must meet the requirements of the Development Fund program. For projects over 50 units, 10 units or 50% of the assisted units whichever is greater must be designated at or below 50% of the area median income for both income and rent limits.

10.14 State Historic Review

The applicant must submit to IHCDA the State Historic Review documentation as required by IC 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 structure(s) are listed individually in the State or National Register of Historic Places.

10.15 Modifications

IHCDA may consider requests for changes to the characteristics of a development. **A modification fee of $500 will be imposed if loan documentation has been finalized. Additionally, a $1,500 fee will be required if any legal documents, such as the recorded Lien and Restrictive Covenant, need to be amended as a result of the request.**

Approval of modification requests is at the sole discretion of IHCDA. IHCDA must evaluate each request to see how the change would have affected original funding and underwriting of the development as well as to ensure that the proposed change will not cause noncompliance.

When submitting a modification request, please provide the following:

a. Formal written request from the Owner/Developer detailing the specific request and the reason the request is needed
b. The impact to the project in the event the modification request is not approved
c. Modification fee of $500.00 if loan documentation has been finalized
d. Updated HOME application pages that reflect changes to the original application based on the current closing projections and/or proposed modification

At its discretion, IHCDA may request additional supporting documentation.

HTF.

APPLICATION POLICY

National Housing Trust Fund
Application Policy
Program Year 2020

SUMMARY

This policy describes the manner in which IHCDA will allocate part of its Fiscal Year 2020 funds under the Housing Trust Fund ("HTF") program.
The Housing Trust Fund is designed to create new housing opportunities for households with extremely low-incomes (at or below 30% of area median income). By regulation, the focus of the HTF program is rental housing.

IHCDA will allocate all of its FY20 HTF funds for affordable rental housing, specifically for supportive housing for persons experiencing homelessness. A portion of the HTF awards will be made as gap financing in conjunction with applications for Rental Housing Tax Credits ("RHTC") under the Qualified Allocation Plan ("QAP"). Requests for HTF awards must be made as a supplemental request along with an RHTC application. Additional information about eligible activities can be found within this policy manual. In addition to meeting the requirements of this policy, all proposed developments must also meet the threshold requirements within the QAP in order to be eligible for funding.

Contents

Available Online

HTF Program Webpage

Last Updated: 02/11/20

Part 1: Application Process

1.1 Overview and Funding Priorities:
The purpose of this Housing Trust Fund (HTF) application is to provide subsidies in the form of grants to selected applicants for the acquisition, rehabilitation and/or new construction of supportive housing for persons with extremely low-income (at or below 30% of area median income). Through this program, the Indiana Housing and Community Development Authority (IHCDA) seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate HTF funds as gap financing in conjunction with Rental Housing Tax Credits (RHTC) to be used for the rehabilitation and/or new construction of supportive housing among selected applicants having projects that meet the requirements of the program and IHCDA's goals for the program.

The applicant must demonstrate the following in its application:

1. The activities proposed are eligible, and provide a certification that the HTF-assisted housing units will comply with all HTF requirements;
2. The activity meets the needs of their specific community;
3. Serve populations that are extremely low-income and experiencing homelessness. The target population served by the development must be the target population that was identified based on community need and relevant data through the Supportive Housing Institute process;
4. Support geographical diversity as to the location of the HTF-funded projects;
5. It will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities by making assurances;
6. The applicant's ability and financial capacity to undertake, comply, and manage the eligible activity;
7. The applicant's familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
8. The applicant's experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:
    (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or
    (ii) Design, construct, or rehabilitate, and market affordable housing for homeownership.
    (iii) That the applicant has the capacity to undertake the activities set forth in its application upon receipt of the HTF award and begin construction within 12 months of receipt of the award and complete the development within a 24-month period.
9. Proceed with the activity upon receipt of the award and begin construction within 12 months of receipt of the award;
10. Link the project to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
11. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure; and,
12. Propose the use of state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small

Business (VOSB), and/or Service Disabled Veteran Owned Small Business (SDVOSB) contractors, employees, and products when applicants are planning and undertaking their housing activities.

1.2 HTF Application Forms and HTF Policy Discrepancies

In the event of a conflict or inconsistency between the HTF Rental Policy and the HTF Application Form and/or Appendices, or additional documents the procedures described in the HTF Application Policy will prevail.

1.3 Permanent Supportive Housing Institute in the QAP

For this funding cycle, a portion of the HTF funds will be offered exclusively to Rental Housing Tax Credit developments that (1) apply for funding under the 2020/2021 Qualified Allocation Plan (QAP) for the Rental Housing Tax Credit Program (RHTC) and (2) successfully completed the 2020 Indiana Supportive Housing Institute. To be eligible to submit an HTF supplemental application, a proposed project must meet all threshold requirements of the QAP, including the specific threshold requirements applicable to supportive housing developments. For FY20 HTF funds, IHCDA will not entertain stand-alone applications.

Per the QAP, supportive housing developments must further the creation of community-based housing that targets the extremely low income (less than 30% AMI) with intensive service programs that have a direct impact on reducing homelessness through the Housing First model. Housing First is an evidence-based approach to engage and rapidly house individuals who are homeless into supportive housing and to provide intensive and flexible services to stabilize and support housing tenure.

Eligible applicants for tax credits and HTF funds must have successfully fulfilled all requirements and demonstrated meaningful and successful participation in the 2020 Indiana Supportive Housing Institute for the specific development for which they are applying. The Indiana Supportive Housing Institute provides training and support to organizations that plan to create supportive housing. Tenant outreach, selection, property management and service plans must be approved 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.

Application and the Anticipated Reservation date for the 2021 Annual Rental Housing Tax Credit Round are below:

Application Deadline	Anticipated Reservation Date
July 2020 5:00 PM Eastern Time	November 2020

1.4 Application Fee

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

All applicants must submit a non-refundable Application fee with each Application as a condition of having the Development considered. Application fees for 2020 and 2021 are as follows:

RHTC Application Fee	IHCDA Supplemental Application Fee (HTF)
$3,500	$1000

Applicants should refer to the QAP for guidance on all other applicable fees.

1.5 Application Review
Each application must address only one development. Reviews of applications follows the steps as outlined in the QAP.

Funded applications will be announced at the published IHCDA Board Meeting date. Confirmation letters and score sheets will be uploaded to the OneDrive site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified by IHCDA via denial letters and final score sheets being uploaded to the OneDrive site by the close of business on the day of the Board Meeting. Applications not funded will not be rolled over into the next funding round.

1.6 IHCDA CDBG & HOME Program Manual
The IHCDA *CDBG, HOME, and HTF Program Manual* outlines the requirements for administering IHCDA's CDBG and HOME awards.

A complete copy of the *CDBG, HOME, and HTF Program Manual*, including exhibits, is available on IHCDA's website at this location:
http://www.in.gov/myihcda/2490.htm

1.7 Environmental Review Record and Section 106 Historic Review User's Guide
The Environmental Review Record (ERR) and Section 106 Historic Review User's Guide and the ERR Workbook provides additional background information about the federally required processes including why the review is necessary, how to perform the review, and other resource information to help you complete the ERR Workbook. These documents can be found on IHCDA's website here.

Part 2: Eligible Applicants

2.1 HTF Program Eligibility

Eligibility will be determined based on:

1. Whether the development demonstrates a need for HTF in order to make a greater number of units affordable to extremely-low and very low households;

2. Whether the development meets State and Federal requirements of all programs for which the applicant is applying, including the threshold requirements;

3. Successful completion of the Permanent Supportive Housing Institute;

4. If the development ranking is sufficient for it to be awarded RHTC pursuant to the RHTC process as outlined in the 2020/2021 QAP; and,

5. The availability of HTF funds.

2.2 Eligible Applicants

National Housing Trust Fund (HTF)	Community Housing Development Organizations (CHDO)	501(c)3 and 501(c)4 Not-For-Profit Organizations and PHAs*	Joint Venture Partnerships	For Profit Entities Organized Under the State of Indiana**
Rental Housing Rehabilitation/ Adaptive Reuse	✓	✓	✓	✓
Acquisition and Rental Housing Rehabilitation	✓	✓	✓	✓
Rental Housing New Construction	✓	✓	✓	✓

*PHAs are eligible to apply under the conditions set forth in 24 CFR 93.203.

**Applicant may be a non-profit or for-profit developer. The HTF award will be structured as a grant from IHCDA to the entity with the expectation that the entity will then loans the HTF funds to the Limited Partnership to allow the funds to remain in tax credit eligible basis (in accordance with Section 42 rules regarding the exclusion of federal grants from eligible basis).

Eligible developments can be located in any city, town or county located in Indiana. There is no geographic preference to the use of the HTF.

2.3 Ineligible Applicants

IHCDA reserves the right to disqualify from funding any application that has an applicant, sub-recipient, administrator, preparer, or related party of any of the aforementioned, with a history of disregarding the policies, procedures, or staff directives associated with administering any IHCDA program or program administered by any other State, Federal, or affordable housing entity. This includes, but is not limited to, the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, and the Federal Home Loan Bank.

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in the Program Manual Chapter 17.

2.4 Religious and Faith-Based Organizations

- *Equal treatment of program participants and program beneficiaries.* (1) *Program participants.* Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HTF program. Neither the Federal Government nor a State or local government receiving funds under the HTF program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- *Beneficiaries.* In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.
- *Separation of explicitly religious activities.* Recipients and subrecipients of HTF program funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.
- *Religious identity.* A faith-based organization that is a recipient or subrecipient of HTF program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a HTF program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select

its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

- *Alternative provider.* If a program participant or prospective program participant of the HTF program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.
- *Structures.* Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HTF program. Sanctuaries, chapels, or other rooms that a HTF program-funded religious congregation uses as its principal place of worship, however, are ineligible for HTF program-funded improvements. Disposition of real property after the term of the grant, or any change in the use of the property during the term of the grant, is subject to government wide regulations governing real property disposition (see 24 CFR parts 84 and 85).
- *Supplemental funds.* If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

Part 3: Eligible Activities & HTF Program Requirements

3.1 Eligible Activities

This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation and/or new construction of supportive housing in conjunction with RHTC developments that have completed the Indiana Supportive Housing Institute and are eligible under the Housing First set-aside or the integrated supportive housing scoring category of the QAP. Acquisition only is not an eligible activity; however acquisition in conjunction with another activity is permitted.

- Rehabilitation, new construction, and acquisition/rehabilitation or acquisition/new construction of rental housing in the form of traditional apartments, single room occupancy units (SROs), or single family housing.
    - SRO housing consists of single room dwelling units that are the primary residence of the occupant(s). Neither kitchen nor bathroom facilities are required to be in each unit. However, if individual units do not contain bathroom facilities, the building must contain bathroom facilities that are shared by tenants. SRO housing does not include facilities for students.
- If HTF funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence within 9 months of the demolition or acquisition.

3.2 Ineligible Activities

The following are ineligible activities:

- Preservation of existing affordable housing, including supportive housing. HTF must be used to create new affordable housing units;
- Refinancing of existing permanent debt;
- Development of housing for homebuyer programs;
- Performing owner-occupied rehabilitation;
- Group homes;
- Transitional housing;
- Acquisition, rehabilitation, or construction emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for persons experiencing homelessness;
- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- Rehabilitation of mobile homes;
- Acquisition, rehabilitation, refinancing, or new construction if any part of a development or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the project;
- Any housing activity funded under Title VI of NAHA, prepayment of mortgages insured under the National Housing Act, public housing developments, or acquisition, rehabilitation, or construction of any developments funded under HUD’s former Rental Rehabilitation Program;
- Costs for supportive services, homeless prevention activities, or operating expenses;
- The use of commercial facilities for transient housing;
- Payment of HTF loan servicing fees or loan origination costs;

- Tenant-based rental assistance;
- Payment of back taxes.

In addition, IHCDA **does** **<u>not</u>** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, gender identity, or against victims of domestic violence, dating violence, sexual assault, or stalking in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- Medical research or medical profit-making enterprises.

<u>3.3 HTF Program Requirements</u>

The proposed HTF project must follow these minimum requirements, and all other requirements laid forth in the Program Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's Program Manual at http://www.in.gov/myihcda/2490.htm.

- Recipients must comply with all regulatory requirements listed in 24 CFR Parts 91 and 93.

Applicants should familiarize themselves with IHCDA's *CDBG, HOME, and HTF Program Manual*. Requirements include, but are not limited to the following:

- **Lead Based Paint**:
  - Each recipient of a HTF award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed.
  - Anyone who conducts lead-based paint activities in the State of Indiana must be licensed. Licenses are issued only after an applicant has successfully completed course certification by an accredited training facility and has passed the licensing examination administered by the ISDH. A separate license is required for each of the authorized lead disciplines. All licenses must be renewed every three years by successfully completing refresher training approved by the ISDH. Activities requiring licensing include:
    - Inspection for lead-based paint
    - Risk assessment for lead hazards
    - Clearance examination following lead abatement
    - Abatement of lead-based paint
    - Project design, supervision, and work in abatement projects
  - Anyone who is paid to perform work that disturbs paint in housing and child-occupied facilities built before 1978 must be EPA certified. This includes all firms, even sole proprietorships. Firms can't advertise or perform renovation activities covered by the regulation in homes or child occupied facilities built before 1978 without firm certification. Examples of the types of firms covered:
    - Residential rental property owners/managers
    - General contractors
    - Special trade contractors, including

        - Painters
        - Plumbers
        - Carpenters
        - Electricians
    - Federal law requires that a "certified renovator" be assigned to each job, and that all involved individuals be trained in the use of lead-safe work practices.
        - To become a certified renovator, a person must complete a renovator training course accredited by EPA or an EPA authorized program which will teach them how to work lead safe.
        - All remaining individuals must also be trained. They can either be certified renovators (meaning they successfully completed the accredited training) or they can have been trained on the job by a certified renovator (such training must be documented and the documents must be retained).
- **Section 504**:
    - Housing must meet the accessibility requirements of 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined in 24 CFR Part 100.201. It must also meet the design and construction requirements of 24 CFR 100.205 and implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C. 3601-3619).
- **Uniform Relocation Act:**
    - Each recipient of a HTF award is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). See IHCDA's Program Manual Chapter 4 for guidance on the regulatory requirements of the URA, as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.
- **Affirmative Marketing Procedures:**
    - Rental housing with five or more HTF-assisted units must adopt IHCDA's Affirmative Marketing Procedures. See the IHCDA Program Manual Chapter 5 for guidance on Affirmative Marketing Procedures.
- **Section 3**:
    - Any recipient receiving an aggregate amount of $200,000 or more from one (1) or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.
- **Income Verification:**
    - An income verification is valid for a period of six months. If more than six months pass between income verification and contract execution/lease execution/purchase agreement, then a new income verification must be completed.
- **Procurement Procedures:**
    - Each recipient of a HTF award will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award.
- **Environmental Review:**

- To help facilitate timely expenditure of HOME and HTF funds, all applicants are required to complete and submit the Environmental Review Record (ERR) and Section 106 Historic Review at the time of application.
- To complete the forms and the Release of Funds process, refer to the ERR Guidebook found at: https://www.in.gov/myihcda/2650.htm
- As part of the Section 106 Historic Review process, IHCDA is required to submit all new construction projects to the Indiana Department of Natural Resources' State Historic Preservation Office (SHPO) for archaeology review. SHPO is statutorily required to complete this review within 30 days. Please plan your project timeline accordingly.
- The applicant will receive their fully executed HTF award documents and will be allowed to draw funds only after the applicant has been allowed to publish a public notice and when the Release of Funds process is complete.
- Applicants may not purchase any property to be assisted with HOME or HTF funds, sign contracts, or begin rehab/construction until the ERR/Release of Funds process has been completed and approved.
- IHCDA will not fund projects that are in a floodway or that have any portion of the project site in a 100-year flood plain. If the project site has any area that is designated as any variation of Zone A or as a floodway, then the project is ineligible for IHCDA funding. Re-platting and/or re-parceling a site out of any variation of Zone A will not be allowed. Instead, the applicant must consult with and follow FEMA procedures to change the flood designation; this process should be completed prior to submitting a funding application to IHCDA.
- For sites within the shaded Zone X or sites outside of Zone A but without a Base Flood Elevation (BFE; this information will be indicated on the FEMA map), then the potential adverse impacts of being directly adjacent to a flood prone area must be minimized. Therefore, the applicant must demonstrate to IHCDA that the following design modifications are included in the project scope. The information must be submitted with the ERR Workbook upon funding application to IHCDA. These requirements can also be found in the ERR Workbook:
    - Flood minimization techniques like permeable surfaces, storm water capture and reuse, and/or green roofs.
    - New construction and substantial improvement projects must be elevated at or above the 100-year floodplain.
    - The inclusion of early warning systems and emergency evacuation plans.
- If your project involves new construction and has either mapped wetlands or potential wetlands, the project is not eligible for IHCDA funding. If your project involves site excavation, installation of wells or septic systems, grading, placement of fill, draining, dredging, channelizing, filling, diking, impounding, and any related activities, and has either mapped wetlands or potential wetlands, you must consider project alternatives, including a new site
- **For HTF projects that are NOT utilizing another funding source that would trigger a full part 50/58 (e.g. HOME), additional ERR regulations may apply. These include:**
    - NHTF cannot be used to fund any project within 2,5000 feet from the end of a runway at a civil airport or 15,000 feet from the end of a runway at a military airport.
    - Projects funded with NHTF must use a potable water system using only lead-free pipes, solder and flux.

    - NHTF projects must not result in the conversion of unique, prime, statewide or locally significant agricultural property to urban uses. No mitigation efforts are allowed under the NTHF.
    - If the exterior noise level is between 65dB and less than 75dB, mitigation measures must be implemented to meet the interior noise level standard of no more than 45 dB. If there are exterior noise levels of 75dB or greater, mitigation measures must be implemented to meet the interior noise levels standards of no more than 45 dB, and there must be no outside noise sensitive uses involved in the project.
    - Projects that ONLY have NHTF funding are not required to have a Section 106 Review. The project activities (including demolition) must not be performed on properties that are listed in, or determined to be eligible for listing in the National Register of Historic Places, unless the project activities meet the Secretary of Interior's Standards for Rehabilitation, either as certified through the Federal and/or State historic rehabilitation tax credit programs or as verified by someone that meets the relevant Secretary of the Interior's Professional qualification Standards.

- **Construction Standards and Physical Inspections:**
    - All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur when 50% of the funds drawn for single site projects, or when half the units are complete for scattered site projects. The second inspection will be conducted upon completion of the construction for the award. Site visits during construction may be conducted to monitor progress of all projects. The IHCDA Inspector will conduct the physical inspections.
- **Registering Vacancies:**
    - Applicants that are proposing to develop rental housing must register vacancies for HTF-assisted housing in the IndianaHousingNow.org affordable housing database.
- **Capital Needs Assessment:**
    - Projects performing the rehabilitation activity with a total of 26 or more units (the total of HTF-assisted and non-HTF assisted units) must complete and provide a Capital Needs Assessment (CNA).
- **Federal Programs Ongoing Rental Compliance:**
    - Recipient must ensure that each owner of a HTF-assisted rental project enters tenant events into IHCDA's Indiana Housing Online Management System at https://ihcdaonline.com/ within 30 days of the tenant's event date. Tenant events include move-ins, move-outs, recertification, unit transfers, and rent and income changes. In addition, Annual Owner Certification Rental Reports must be submitted electronically using the Indiana Housing Online Management System throughout the affordability period in the Annual Rental Report. See IHCDA's Program Manual for further guidance.
    - Recipient must ensure that there is a written lease between any tenant and the owner of rental housing assisted with HTF funds. The term of the lease may not be less than one year, unless a shorter period is specified upon mutual agreement between the tenant and the owner. The lease may not contain any of the prohibited provisions set forth in 24 CFR 93.303
    - Recipient shall ensure that written tenant selection policies and criteria for the project are adopted and followed that comply with 24 CFR 93.303 and the additional

requirements as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCDA.

- In accordance with 93.404(d), the recipient must provide IHCDA with the financial documentation and/or reports needed by IHCDA to conduct its examination of the financial condition of the project, if project has ten (10) or more assisted units.
- Rental housing developments must assist households at or below 30% of the Area Median Income for the county, as published by HUD and distributed by IHCDA. Units must be both income and rent restricted at the 30% AMI level. Households must meet the definition of "extremely low income families" families at 24 CFR 93.2.).

- **LEP**:
    - Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds for LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices; acquiring interpreters for face to face interviews with LEP persons; placing advertisements and notices in newspapers that serve LEP persons; partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project; hiring bilingual employees or volunteers for outreach and intake activities; contracting with a telephone line interpreter service; etc.
- **Nondiscrimination Requirements:**
    - Recipient must follow the non-discrimination requirements of the Fair Housing Act, the Violence Against Women Reauthorization Act of 2013, and the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule.
- **SAM and DUNS:**
    - Applicants must register for System Award Management (SAM) and have a valid DUNS in order to apply for HTF.
- **HMIS**:
    - Applicants proposing permanent supportive housing will be required to participate in the Homeless Management Information System (HMIS).
- **Broadband Infrastructure:**
    - As described in the HUD Final Rule 81 FR 92626, any new construction or substantial rehabilitation of more than four rental units must provide for installation of broadband infrastructure, as defined in 24 CFR 5.100, except when IHCDA determines and documents that one or more of the exceptions listed in HUD Final Rule 81 FR 92626 apply. Each unit should have cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, which is capable of providing access to Internet connections in individuals housing units.
- **Tenant Selection Plan**
    - All HTF-funded properties must create a written tenant selection plan that meets all requirements outlined in Part 4.2E of IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time. This includes compliance with the nondiscrimination requirements of the Fair Housing Act, Violence Against Women

Reauthorization Act, Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Rule, and the 2016 HUD Office of General Counsel Guidance on Criminal Records.

3.4 Property Standards

All HTF funded projects must meet the property standards outlined in 93.301.

- Developments must use Uniform Physical Condition Standards (UPCS). A listing of those standards can be found in the Multi-Family Checklist. Beyond the UPCS standards, projects must also comply with:
    - IHCDA Rehabilitation Standards (see Exhibit A); and,
    - The stricter of the local rehabilitation standards or the Indiana State Building Code.
- The development must meet the accessibility requirements at 24 CFR Part I, which implements Section 504 of the Rehabilitation Act of 1973.
- Covered multi-family units, as defined at 24 CFR 100.201, must meet the design and construction requirements at 24 CFR 100.205, which implements the Federal Fair Housing Act Amendments of 1988.
- Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
- Newly constructed units must meet additional energy efficiency standards for new construction pursuant to section 109 of the Cranston-Gonzalez National Affordable Housing Act.
- Where relevant, the housing must be constructed to mitigate the impacts of potential disaster, in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

3.5 Affordability Requirements

The affordability period for all HTF developments is 30 years.

HTF subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The recipient shall comply with the following requirements of the HTF Program throughout the affordability period: (1) ensuring that the property meets the Property Standards set forth in 24 CFR 93.301; ensuring that the tenants meet the affordability requirements set forth in 24 CFR 93.205 by documenting and verifying the income of tenants as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCDA; (3) submitting annual tenant events and annual owner certifications to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; (4) participating in periodic monitoring and inspections of the Property by IHCDA and/or the U. S. Department of Housing and Urban Development ("HUD"); (5) complying with the Federal income and rent limits issued by HUD and published annually on IHCDA's website; (6) providing IHCDA with information regarding unit substitution and filling vacancies, if the Project has floating units; and (7) ensuring that each tenant enters into a lease that does not contain HUD prohibited lease language as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual. The affordability period begins after the project has been completed and the completion forms have been submitted to and approved by IHCDA. During the affordability period all HTF program rental requirements apply to the property.

See IHCDA's *Federal Programs Ongoing Rental Compliance Manual* for a full discussion of affordability period compliance.

3.6 Lien and Restrictive Covenant Agreement

Each recipient of a HTF award must ensure that a lien and restrictive covenant is executed and recorded against every property constructed, rehabilitated, or acquired, in whole or in part, with HTF funds. Upon the occurrence of any of the following events during the Affordability Period, the entire sum secured by the lien shall be due and payable by developer and/or owner upon demand. Repayment may be demanded upon: (1) Transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the Affordability Period; (2) Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the Affordability Period; (3) The real estate no longer meets the property standards set forth in 24 CFR 93.301.; (4) HTF-assisted units are not being used by qualifying tenants as their principal residence; (5) annual tenant events and annual owner certifications are no longer being submitted to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; (6) non-compliance with the federal income and rent limits issued by HUD; and (7) units are not leased in accordance with the requirements set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual.

The recipient of the HTF award will be responsible for repaying IHCDA any HTF funds utilized for any housing constructed, rehabilitated, or acquired that does not remain affordable and in compliance in accordance with 24 CFR 93.302 for the entire Affordability Period. Recapture is not prorated; failure to meet the entire affordability period will result in full repayment of the HTF award.

3.7 Geographic Diversity

IHCDA will make every effort to distribute HTF funds geographically. The ability to do so may be limited by the location of eligible applications and projects which receive adequate scoring to be funded.

Applicants for HTF funds must have completed the Indiana Supportive Housing Institute. Teams are selected and admitted into the Institute based on the criteria laid out in an annual Request for Proposals (RFP). During review of the RFP responses, IHCDA staff considers geographic diversity as part of its evaluation to ensure that we are creating supportive housing developments throughout the state. In addition, the applicant must demonstrate need for supportive housing as supported by local data sources, including but not limited to data from the Point In Time Count and other data sources collected by the Continuum of Care.

3.8 Award Term

The HTF award must be fully expended within a 24 month period. The award generally expires on the last day of the month, 24 months following execution of the award agreement by the recipient and IHCDA.

Part 4: Subsidy Limitations & Eligible Activity Costs

4.1 Subsidy & Budget Limitations

The maximum request amount per application is $500,000 for eligible rental projects. At IHCDA's discretion, IHCDA may allow recipients to apply for additional HTF funding.

Subsidy Limitations

The maximum per-unit subsidy limits for HTF will be set at IHCDA's applicable HOME maximum per-unit subsidy limits. They will be applied statewide and are adjusted by the number of bedrooms per unit. These limits can be found in the table below.

The decision to use the HOME subsidy limits and apply them statewide is based on an analysis of the actual total development costs of affordable multifamily rental housing applications in Indiana from 2010-2015. Two separate analysis were conducted. The first compared projects in large cities (population of 75,000 or greater), small cities (population of 15,000-74,999) and rural localities (population under 14,999); the second compared the four evaluation regions as set by IHCDA. While there is some difference in individual project costs, there is relatively little variation in the 2010-2015 averages through both scenarios. The per/unit subsidy for each of the geographical subsets did not greatly differ from either each other and, or from the state average. The highest total development cost per unit can be found in the small city category; the difference between the statewide average is less than 8% higher. Large cities had the lowest cost per unit; there was only a 4% difference in cost per unit compared to the statewide average.

Setting the HTF maximum per-unit subsidy limits at the existing HOME limits is allowed by HUD and cost data indicate the use of the HOME limits is appropriate as the initial baseline cap for the amount of HTF investment that may be put into any HTF-assisted unit. However, it is important to note that the cap is not the only mechanism. IHCDA will use to allocate no more HTF funds than allowable and necessary for project quality and affordability. Each application for HTF funding will be reviewed and analyzed in accordance with IHCDA's underwriting process, which includes a subsidy layering review. IHCDA staff has extensive experience in this area, including through its administration of HOME. The review includes an examination of sources and uses (including any operating or project-based rental assistance) and a determination that all costs are reasonable. Through its underwriting process, IHCDA will ensure that the level of HTF subsidy provided: 1) does not exceed the actual HTF eligible development cost of the unit, 2) that the costs are reasonable and in line with similar projects across the state, 3) the developer is not receiving excessive profit, and 4) HTF funding does not exceed the amount necessary for the project to be successful for the required 30 year affordability period.

As required by HUD, the HTF maximum subsidy limits will be assessed and adjusted annually. IHCDA's review for the next program year will be further informed by the first years' experience working with developers and the HTF requirements as well as the issuance of HUD guidance on using HTF funding for operating assistance and reserves.

HTF funds used for acquisition, rehabilitation, new construction and new construction combined cannot exceed:

Bedroom Size	Per Unit Subsidy Limit
0	$90,000
1	$105,000
2	$120,000
3	$145,000
4+	$160,000

Minimum amount of HTF funds to be used for rehabilitation or new construction is $1,001 per unit.

Budget Limitations

- HTF funds cannot be used for reserve accounts for replacement or operating costs, but may be used as a Rent-Up Reserve.
- All subsidies must be secured throughout the affordability period by a written, legally binding, recorded restrictive covenant.

IHCDA may approve, at their sole discretion, requests for higher per unit subsidy limits dependent upon verification of the need for increased costs.

4.2 Form of Assistance

HTF funds will be awarded to the recipient in the form of a grant. Award documents must be executed in order to access funds and will include, but are not limited to: award agreement, resolution, and a lien and restrictive covenant agreement.

The applicant may then provide the HTF award as a forgivable, amortized, or deferred loan to as many other entities as it chooses, known as subgrantees. However, subgrantees must be identified in the application and approved by IHCDA.

A title company is required to be used for all loans that occur between the IHCDA recipient and the subgrantee of the program. The IHCDA recipient must execute a promissory note, mortgage, lien and restrictive covenant agreement, and other documents as directed by IHCDA in order to secure IHCDA's investment in the assisted property. The recipient is required to deliver these documents to the county recorder's office for recording. These documents will be reviewed during monitoring visits.

4.3 Eligible Activity Costs

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

ACQUISITION – Limited to the purchase price and related costs associated with the acquisition of real property. Recipients must use a title company when purchasing or selling assisted properties.

DEMOLITION – Costs associated with the demolition and clearance of existing structures.

NEW CONSTRUCTION

Eligible costs include:

- Hard costs associated with new construction activities;

- Utility connections including off-site connections from the property line to the adjacent street;
- Site work related to driveways, sidewalks, landscaping, etc.
- Related infrastructure costs - improvements to the development site that are in keeping with improvements of surrounding, standard developments. Site improvements may include on-site roads and water and sewer lines necessary to the development
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- General Requirements, Contractor Contingency and CMC

REHABILITATION
Eligible costs include:
- Hard costs associated with rehabilitation activities
- Lead-based paint interim controls and abatement costs.
- Mold remediation
- Site work related to driveways, sidewalks, landscaping, etc.
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served
- General Requirements, Contractor Contingency and CMC

RETAINAGE POLICY - IHCDA will hold the final $5,000 of an award until, closeout documentation, and completion reports are received and approved. Closeout documentation will not be approved until the final monitoring and inspection is completed and all associated findings and/or concerns are resolved.

4.4 Ineligible Activity Costs
- Annual contributions for operation of public housing
- Commercial development costs **-** All costs associated with the construction or rehabilitation of space within a development that will be used for non-residential purposes such as offices or other commercial uses. This does not include the common area used by tenants of rental property or the leasing office of the apartment manager. HOME awards cannot be used to underwrite any portion of commercial development costs. The expenses incurred and income to be generated from commercial space must be reported in a separate “Annual Expense Information” sheet and 15-year proforma.
- Costs associated with any financial audit of the recipient.
- Costs associated with preparing an application for funding through IHCDA
- Cost of supportive services
- General operating expenses or operating subsidies
- Loan guarantees
- Mortgage default/delinquency correction or avoidance
- Providing tenant based rental assistance
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Purchase or installation of luxury items, such as swimming pools or hot tubs

- Any additional prohibited activities and fees as listed in 93.204.

4.5 Allocating Costs in Mixed-Income Developments

HTF may only pay actual costs related to HTF-assisted units. If the units in a development are comparable (in terms of size, features and number of bedrooms), then the actual costs can be determined by pro-rating total development costs. HTF funds could pay the pro-rated share of the HTF-assisted units. When units are not comparable, the applicant must allocate the HTF costs on a unit-by-unit basis, charging only actual costs to the HTF program. Because units in rental developments with-the "floating" HTF designation must be comparable, an applicant should always pro-rate costs in these developments. When units are generally comparable but vary slightly in size or amenities, a combination of the two approaches may be used.

Unit Size - Comparability in size is defined by the bedroom count and square footage of individual units. Not all units with the same number of bedrooms are comparable in size. If there is a substantial difference in the square footage of two units with the same number of bedrooms, the units are not considered comparable.

Amenities - Comparability in amenities means similar fixtures, appliances and other features. In many mixed-income developments, to receive varying rents, the quality and types of amenities may vary among units. For instance, a development might charge a higher rent for a unit with wall-to-wall carpeting, garbage disposal, dishwasher, and finer fixtures than for a unit without these amenities. This type of development does not typically have comparability of units, unless there is an equal distribution of assisted and non-assisted units that have these amenities.

Common Costs - Common costs are costs incurred for acquisition of improved or unimproved real property that benefits all residents of units in a development, rehabilitation or construction of shared systems (heating, plumbing, roofing) or shared facilities (community rooms, laundry facilities located in residential buildings); and on-site improvements. Costs associated with a development's on-site management office or the apartment of a resident manager may be counted as common costs. The manner in which the costs for common elements of a development may be charged is dictated by the method chosen for allocating costs.

Part 5: Rental Housing Requirements

5.1 Eligible Projects
HTF projects can propose rental activities with this policy and corresponding application forms.

5.2 Eligible Rental Activities
Eligible activities include new construction, rehabilitation only, acquisition/rehabilitation, or acquisition/new construction. Acquisition is allowed only in conjunction with the rehabilitation activity and is ineligible as a stand-alone activity. Permanent rental housing units may not be used for temporary or emergency housing at any time. Eligible rental activities also include the rehabilitation or acquisition/rehabilitation of assisted-living facilities as long as they meet IHCDA's definition. IHCDA defines an assisted living facility as living arrangements in which some optional services are available to residents (meals, laundry, medication reminders), but residents still live independently within the assisted-living complex. Residents of such facilities pay a regular monthly rent, and then pay additional fees for the services that they desire.

All households occupying HTF-assisted rental units must be income-qualified based at or below 30% of area median income and all units must be rent restricted at the 30% rent limit. See the *Federal Programs Ongoing Rental Compliance Manual* for more information on household qualification.

5.3 Income Restrictions
HTF-assisted rental units will income-restricted for occupancy by extremely low-income households, defined as households that are certified as having incomes at or below the 30% area median income HTF income limit, as published by HUD.
IHCDA has posted the 2019 limits – these can be found through IHCDA's RED Notices. IHCDA will release a new RED notice when the 2020 limits are available through HUD.

All households that occupy HTF-assisted rental housing units must be income certified at the time of move-in and then recertified on an annual basis. The 24 CFR Part 5 (Section 8) definition of household income applies.

5.4 Rent Restrictions
HTF-assisted rental units will be rent-restricted at the 30% rent restriction throughout the affordability period to ensure that the units are affordable to extremely low-income households. Please refer to the most recent HTF rent limits. The 2019 rent limits for Indiana (effective 6/1/18) can be found on HUD's website at https://files.hudexchange.info/reports/published/HTF_RentLimits_State_IN_2019.pdf.

The following restrictions apply:

- Published rent limits include the cost of any tenant-paid utilities. For all utilities that the tenant will be responsible for you must subtract any IHCDA or HUD approved utility allowance from the published rent limit. For example, if the rent limit in a given county is $300 with a utility allowance for gas heat of $28, $20 for other electric, and $13 for water, the maximum allowable rent would be $239 for a unit where the tenant pays all the above utilities ($300 - $28 - $20 - $13 = $239).
- All units must be leased for initial occupancy within 18 months.

- If a SRO-unit has both food preparation and sanitary facilities, then use the zero bedroom (efficiency) unit rent or 30% of the household's adjusted income, whichever is most restrictive.
- If a SRO-unit has neither food preparation nor sanitary facilities, or only one of either, then the rent may not exceed 75% of the fair market rent (FMR) for a zero bedroom unit. For example, if the FMR for a zero bedroom unit in a given county is $300, then the 30% rent limit in that county for a SRO unit that only has a bathroom and not a kitchen would be $225 ($300 x .75 = $225).
- Gross rent must be at or below the published rent limit. Gross rent = tenant-paid rent + tenant-based rental assistance + utility allowance + non-optional charges.
- If the applicant proposes to receive all or a portion of the rent payment via a tenant-based voucher (rental subsidy), the gross rent (including the rental assistance amount) cannot exceed the published rent limits for the applicable income level. For example, a tenant residing in a unit set-aside for households at or below 30% of the area median income has a voucher that pays $100 of his/her rent, and the published utility allowance for tenant paid utilities for the unit is $50. If the published 30% rent limit is $300, the tenant paid portion of rent cannot exceed $150 ($300 rent limit - $100 Section 8 Voucher - $50 utility allowance = $150 maximum tenant paid portion).
- If the development receives a federal or state project-based rent subsidy and the unit is designated as 30% or below and the household is at or below 30% AMI and the household pays no more than 30% of his/her adjusted income for rent, then the maximum rent may be the rent allowable under the project-based rental subsidy program as set forth in 24 CFR 93.302(b)(2).
- If the development charges non-optional fees for food or the costs of supportive services, then these costs must be included in the gross rent calculation

5.5 Affordability Periods

All rental projects are subject to a 30-year affordability period as defined in Part 3.4 of this document.

The recipient is subject to recapture provisions through a recorded lien and restrictive covenant agreement as described in Parts 3.5 of this document.

5.6 Underwriting Guidelines for Rental Projects

The following underwriting guidelines must be followed for any rental development as per 24 CFR 93.300 (b). The numbers submitted should accurately reflect the true nature and cost of the proposed activity. IHCDA will consider underwriting outside of these guidelines, if supporting documentation is provided.

TOTAL OPERATING EXPENSES – All developments must be able to underwrite with a minimum operating expense of $4,500 per unit per year (net of taxes and reserves).

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.

MANAGEMENT FEE – The maximum management fee allowed is described in the table below, based on the number units within the project. The percentage is based on the "effective gross income" (i.e. gross income for all units, less vacancy rate).

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

VACANCY RATE – All developments must be able to underwrite with a vacancy rate between 6% and 8%. Applicants must substantiate the vacancy rate.

RENTAL INCOME GROWTH – All developments must be able to underwrite with a rental income growth between 0% and 2% per year beyond the 30 year affordability period.

OPERATING RESERVES – All developments must be able to underwrite with operating reserves, using the greater of four-to-six months of expenses (i.e. operating expenses, plus debt service) OR $1,500 per unit.

RENT-UP RESERVE – HTF funds may be used to fund a rent-up reserve for new construction and rehabilitation rental housing developments. This reserve can be used to meet shortfalls in development income during the rent-up period and may only be drawn down after all construction is completed at the development. The following terms apply:

- The term of the rent-up reserve account may not exceed six months after all construction is completed, after which time any unused reserves left in the account will be de-obligated by IHCDA.
- These funds can be used only for development operating expenses, scheduled payments to replacement reserves, and/or debt service payments.
- The recipient must receive IHCDA's approval prior to accessing its rent-up reserve funding.
- The amount of HTF funds that can be utilized for a rent-up reserve is limited to three months development operating expenses plus three months of development debt service.

REPLACEMENT RESERVES – All developments are required to have replacement reserves. Replacement reserves must be included in the operating budget but are not included as part of the operating reserves. 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/Affordability Period.

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 IHCDA.

Replacement reserves must escalate at a rate of 3% per year.

IHCDA will, at its discretion, adjust the replacement reserve to reflect reasonable and customary capital and replacement expenditures. The following minimum contributions must be used.

Development Type	Minimum Contribution per unit per year
Rehabilitation/ Adaptive Reuse*	$350
New Construction (if age restricted)	$250
New Construction (if non age-restricted)	$300
Single Family Units	$420
Historic Rehabilitation	$420

* For rehabilitation developments, the Capital Needs Assessment will be reviewed to determine whether sufficient reserves have been established.

CAPITALIZED SERVICE RESERVES- All developments receiving an allocation of HTF funds must establish a capitalized service reserve to help ensure that supportive services can be provided to the tenants throughout the affordability period. The service reserve cannot, however, be funded from HTF funds. The developer must account for the source of the service reserves and take this into effect when considering uses for tax credit equity and other sources. The amount of the service reserve must be based on development size and service budget. The application must include a narrative describing the methodology used to determine the size of the service reserve.

IHCDA will, at its discretion, issue additional guidance via a RED Notice to set a more standardized requirement on the allowable size (minimum and maximum) of the capitalized service reserve requirement to reflect reasonable and customary expenditures.

OPERATING EXPENSE GROWTH – All developments must be able to underwrite with operating expense growth between 1% and 3% per year.

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

STABILIZED DEBT COVERAGE RATIO – All developments must be able to underwrite with a stabilized debt coverage ratio (DCR) within the following standards (stabilization generally occurs in year 2):

Development Location	Minimum Acceptable Debt Coverage Ratio
Large or Small City	1.10 – 1.40
Rural	1.10 – 1.50
Development with Project Based Vouchers	1.10-1.45

- Stabilization usually occurs in year two; however, the debt coverage ratio for a development must not go below 1.10 during the affordability period to be considered financially feasible.
- IHCDA does recognize that rural deals may have higher debt coverage ratios at the beginning of the affordability period in order to remain feasible. Documentation to support these higher debt coverage ratios must be provided.
- For developments with Project Based Vouchers, the debt coverage ratio must be in the range stated in the table above as required under HUD's Subsidy Layering requirements.
- Developments without hard debt are permissible, but will be subject to additional scrutiny from IHCDA. Developments with no debt will not have a debt coverage ratio, but will be required to have cash flow without an undue profit. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including Replacement Reserves). A ratio of 1.10 shall be the minimum required to be considered feasible by IHCDA, throughout the affordability period.

The following documentation is required for Stabilized Debt Coverage Ratio:

- 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); AND

- If the underwriting is outside these guidelines, the applicant must provide a written detailed explanation with third party documentation supporting the explanation (approval of underwriting from other financing institutions/funding sources will not constitute acceptable supporting documentation).

5.7 Market Assessment Guidelines

The following market assessment guidelines must be followed for any rental development. The numbers submitted should accurately reflect the market feasibility of the proposed activity.

MARKET AREA – Describe the market area from which the majority of the development's tenants are likely to come and provide a map with a scale. Describe how the market area was determined to be appropriate for the development.

SOCIOECONOMIC PROFILE AND TRENDS – Describe the trends in population and households by age and income and estimate the number of eligible tenants for the development.

HOUSING STOCK – Describe the existing housing stock within the market area including the number of housing units, type (single family or multifamily), percent vacant, percent owner-occupied and renter-occupied, etc. In addition, provide a list of all other rent restricted properties in the market area and indicate whether they are age restricted.

CAPTURE RATE AND ABSORPTION PERIOD – Provide an estimate of the capture rate for the development (project's units divided by the number of eligible tenants from the market area), and estimate the absorption period to ensure lease-up within 18 months of project completion.

NEEDS ASSESSMENT – Describe how the development addresses the community's housing needs, given the market area's socioeconomic profile, trends, and housing stock.

DEVELOPMENT SITE DESCRIPTION – Explain how the site is adequate in size, exposure, and contour to accommodate the number and type of units proposed. In addition, describe whether there are adequate utilities (water, sewer, gas, and electricity) to accommodate the development.

5.8 Site and Neighborhood Standards

IHCDA administers the HTF program in a manner that promotes housing opportunities and provides housing that is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, E.O. 11063, and HUD regulations issued pursuant thereto. For new construction of HTF -assisted rental units, the applicant must demonstrate that the proposed development meets the site and neighborhood standards as given at 24 CFR 983.6(b) and 93.150 by completing the appropriate form in the HTF Section.

- The site must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- A project may be located in an area of minority concentration only if:
    - Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or
    - The project is necessary to meet overriding housing needs that cannot be met in that housing market area
    - "Sufficient" does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low income minority families and in relation to the racial mix of the locality's population.
    - Units may be considered "comparable opportunities," if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.
    - Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take

into account the extent to which the following factors are present, along with other factors relevant to housing choice:

- A significant number of assisted housing units are available outside areas of minority concentration.
- There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
- There are racially integrated neighborhoods in the locality.
- Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
- Minority families have benefited from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
- A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.
- Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

○ Application of the "overriding housing needs" criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a "revitalizing area"). An "overriding housing need," however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

5.9 Project Based Voucher Requirements

If the applicant is applying for Project Based Voucher subsidies through IHCDA, the project must meet the additional underwriting criteria listed in the table below to pass the HUD subsidy-layering review process.

Development Costs	HUD Limits
General Conditions	6%
Overhead	2%
Builder's Profit	6%
Total	14%
Developer's Fee	12%
Debt Coverage Ratio	**HUD Limits**
Minimum required	1.10
Maximum allowed	1.45

Trending	HUD Guideline
Operating Expenses, Year 1- 3	1-3%
Operating Expenses, Year 4-15	3%
Rent Increases, Year 1-3	1-3%
Rent Increases, Year 4-15	3%
Total Operating Expenses	**HUD Limits**
Years 1-15	Cannot exceed 10% of the total operating expenses.

In addition, the applicant must submit an appraisal report, establishing the value of the property before construction or rehabilitation, regardless if HOME or HTF dollars are being used for acquisitions.

Part 6: Completeness & Threshold Requirements

Each proposed project must satisfy the Federal requirements of the HTF program listed in 24 CFR Part 93 and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

6.1 Completeness Requirements

a. Timeliness – All documentation must be turned in by the application due date.
   - On or before the application deadline, the applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HOME Application Forms.
   - If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
   - Any forms that are late will be denied review and will be sent back to the applicant.

b. Responsiveness – All questions must be answered and all supporting documentation must be provided.
   - The applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HTF Application Forms.
   - The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
   - Required signatures must be originally signed.

6.2 HTF Criteria

In accordance with 24 CFR 91.320(5)(i), IHCDA will address and weigh the required priority funding factors in the following manner:

a. *Priority Housing Needs of Indiana – high priority*: Through the 2015-2019 Consolidated Plan, the State of Indiana includes extremely low income households and permanent supportive housing/integrated supporting housing as "housing priority needs" (see AP-25 Allocation Priorities).

   To be eligible for the supportive housing set-aside in the QAP and for HTF, the applicant must further the creation of community-based housing that targets the extremely low income (less than 30% AMI) with intensive service programs that have a direct impact on reducing homelessness through the Housing First model, to meet the state's priority housing needs of serving extremely low-income households. Applicants who have not successfully completed the Supportive Housing Institute and/or who do not meet the set-aside criteria as identified in both the QAP and in Sections 2.1 and 6.3 (e) of this Allocation Plan will not be eligible for funding.

   In addition, IHCDA may award additional scoring of 140 points under Sections 7.1 Rents Charged; 7.2 Development Characteristics; and 7.3 Sustainable Development to prioritize projects which best serve their residents.

b. *Project-Based Rental Assistance – high priority:* As stated under Threshold Items Section 6.3 (c) and 6.3 (e), in order to be eligible for the supportive housing set-aside of the QAP and for HTF funding, the applicant must demonstrate how units will be made affordable to the targeted population of persons experiencing homelessness. All developments are required to identify a source of project-based rental assistance for the supportive housing units, generally through Project-Based Section 8 vouchers or CoC funding. Developments that have not identified an operating subsidy source do not meet threshold and will not be considered for funding. As stated under Section 7.1 Rents Charged, Applicants may be eligible for 28 points for rent targeting.

c. *Timely Undertaking – moderate priority*: As stated under the Threshold Items Section 6.3 (d), the applicant is required to demonstrate their ability to undertake the activities set forth in its application upon receipt of the HTF award, to begin construction within 12 months of receipt of the award, and to complete the development within a 24 month period.

d. *Extent of Non-Federal Funding – moderate priority*: As stated under the Threshold Items Section 6.3 (c), the applicant must demonstrate all subsidy sources. IHCDA may also award up to 14 points for projects that meet the criteria as outlined in Sections 7.2 (o) Tax Credit Per Unit; 7.2 (p) Tax Credit per Bedroom; 7.4 (a) Firm Commitment; and 7.4 (b) Previous Funding in a Local Government.

e. *Affordability Period – low priority*: As stated under the Threshold Criteria Section 6.3 (a), applicants must meet the minimum 30 year period of affordability to be eligible for funding.

f. *Geographic Diversity – medium priority*: As identified in Section 3.7, IHCDA will make no preference to geographic diversity in projects during the HTF application scoring process. IHCDA will, however, make every effort to distribute HTF funds geographically. The ability to do so may be limited by the location of eligible applications and projects which receive adequate scoring to be funded. The primary consideration for geographic diversity will be handled through the selection of teams that are admitted into the Indiana Supportive Housing Institute. Completion of the Institute is a threshold requirement for HTF eligibility.

IHCDA will, however, consider geographic factors in scoring related to "desirable sites" as defined within the QAP. An application can score up to 10 points in the desirable sites scoring categories as summarized below and listed in Part 7.3 F.

- Location Efficient Projects: An application can score up to 3 points for being within walking distance of stores with fresh produce and other amenities including civic or community facilities, services, retail opportunities, or healthcare.
- Transit Oriented Development: An application can score up to 2 points for being near fixed transit infrastructure, or for rural or small city developments if there is established public or point-to-point transit services that pick up near the site.
- Opportunity Index: An application can score up to 5 points for being located in a county in the top quartile of median household income in the state and not within a qualified census tract, in a county in the bottom quartile of poverty in the state and not within a qualified census tract, in a location with at least one "A" rating public school, in a county with an unemployment rate below state average, and/or in a county ranked in the top quartile of overall healthy outcome rankings in the state.
- Undesirable Sites: An application can receive a negative point if the proposed development is near undesirable facilities and locations that produce objectionable noise, smells, excessive traffic, hazardous activity, etc.

Additionally, IHCDA considers where it has previously allocated funds. The QAP contains two scoring categories worth up to 6 points that attempt to incentivize developments in areas that have not obtained recent IHCDA funding.

- Previous Funding within a Local Government: An application can receive up to 3 points for falling in the boundaries of a unit of local government that has not received an allocation of low-income housing tax credits in the past 3 years.
- Census Tract without Active Tax Credit Developments: An application can receive 3 points if the proposed development is in a census tract that does not have any active tax credit developments of the same occupancy type (elderly or family). An "active" tax credit project is one that has received a reservation of credits, is in its compliance period, or is in its extended use period.

6.3 Threshold Items

Each Development applying for an allocation of Rental Housing Financing and HTF must satisfy the requirements of both Section 42 and 24 CFR 93. In the event that an application is competitive for RHTC but either the application fails the HTF threshold review, or HTF funds are not available to award, IHCDA will allow the application to submit additional information to identify other ways to fill the development's financing gap.

Applicants must meet the threshold requirements are outlined in the QAP as well as the following threshold items for those projects requesting HTF:

a. The HTF-assisted units must meet affordability requirements for not less than 30 years, beginning at development completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements must be imposed by deed restrictions or covenants running with the land. Please note that the HTF affordability period may differ from that of the RHTC program.

b. IHCDA is required to complete a subsidy layering review at any time a development receives HTF funds, along with other governmental subsidies to assure that the development is not being overly subsidized. In reviewing requests for HTF in conjunction with RHTC, IHCDA will utilize the underwriting analysis as outlined in Section 5. If the applicant is also applying for Project-Based Section 8, the applicant must provide the required documentation as listed in the QAP and from Section 5.9 of this policy

c. The Applicant must identify all subsidy sources. Funding commitments must be provided with the RHTC application. If the funding has not yet been committed, application 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. HTF cannot be committed until all other sources have been committed.

d. The applicant must demonstrate experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:
   1. Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or
   2. Design, construct, or rehabilitate, and market affordable housing for homeownership.

3. That the applicant has the capacity to undertake the activities set forth in its application upon receipt of the HTF award and begin construction within 12 months of receipt of the award and complete the development within a 24 month period.

e. The Development must serve populations that are extremely low-income and experiencing homelessness. The target population served by the development must be the target population that was identified based on community need and relevant data through the Supportive Housing Institute process and align with the goals of the Consolidated Plan.

Part 7: Scoring Criteria

IHCDA developed five categories of scoring criteria within its QAP, based on the needs assessment conducted and established housing goals. If an Application satisfies all applicable threshold requirements in the QAP, and meets the federal regulations under 24 CFR 93, then it will be evaluated and scored based on:

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	21 Points
5. Other	35 Points
Total Number of Points	**148 Points**

Applicants both seeking a Rental Housing Tax Credit Allocation and funding through the National Housing Trust Fund must score a total of 80 or more points in order to meet the minimum threshold score and be considered for funding. For more detail, please see the 2020-2021 QAP. If there is a discrepancy or conflict between the below categories/points, and the QAP, the QAP will prevail.

7.1 Rents Charged

If the Development intends to charge rents lower than the maximum allowable for the area median income (AMI) required, and maintains rents for units at a level to exceed the maximums outlined in the QAP. See the table below. Please note all PY 2020 HTF units must be for persons at or below 30% of the AMI. IHCDA encourages owners to disperse all low-income units evenly amount buildings and units in a mixed income, multi-building development.

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

Maximum Points: 16.

7.2 Development Characteristics

a. Amenities: IHCDA will award points for the development's amenities. All amenities chosen by the Applicant should conform to the needs of the Development and its residents.

Maximum Points: 6.

b. Accessible/adaptable units: IHCDA encourages the adoption of additional accessible or adaptable units.
Maximum Points: 5.

c. Universal Design Features: Applicants are encouraged to adopt universal design features.
Maximum Points: 5

d. Vacant Structure: IHCDA will award up to five points to applications who convert a percentage of a vacant structure into rental housing, or a portion for commercial use.
Maximum Points: 6.

e. Development Historic in Nature: At least 50% of the total units must be located in eligible historic buildings.
Maximum Points: 3

f. Preservation of Existing Affordable Housing: Points may be awarded for either an application which proposes the preservation of an existing Rental Housing Tax Credit affordable housing development or, an application which proposes the preservation of HUD or USDA affordable housing.
Maximum Points: 6

g. Infill New Construction: IHCDA will award points to applications which meet IHCDA's criteria for infill development.
Maximum Points 6.

h. Promotes Neighborhood Stabilization: Points will be awarded to a proposed development that is recognized by the local government as assisting in the stabilization of a neighborhood by demolishing or redevelopment property that has been foreclosed, abandoned, or constitutes blights or greyfield redevelopment.
Maximum Points: 4

i. Community Revitalization Plan: Points will be awarded if there is an adopted community revitalization plan that clearly targets the specific neighborhood in which the project is located. Additional points may be awarded if the plan has been adopted or certified by a local unit of government and meets the criteria as specified under the QAP.
Maximum Points: 4

j. Federally Assisted Revitalization Award: Points will be awarded if the proposed project is a phase or a component of certain federally assisted awards. See the QAP for a list of eligible awards.
Maximum Points: 4

k. Off Site Improvement, Amenity and Facility Investment: Points will be awarded if an investment of resources is provided that will result in off-site infrastructure improvements.
Maximum Points: 4

l. Tax Credit Per Unit: Points will be awarded for development that implement cost containment measures.
Maximum Points: 2

m. Tax Credit Per Bedroom: Points will be awarded for development that implement cost containment measures.
Maximum Points: 2

n. Internet Access: Up to 4 points will be awarded for Developments that provide internet access to residents.
Maximum Points: 4

7.3 Sustainable Development Characteristics

a. Building Certification: Points will be awarded if the Development commits to going beyond the minimum green standards and all buildings register and receive one of the certifications listed in the QAP.
Maximum Points: 2.

b. Water Conservation: To promise sustainable water uses practices, points may be earned for the integration of water conservation methods. A listing of methods can be found in the QAP.
Maximum Points: 1.

c. Desirable Sites: Desirable sites, which are or will be, located in close proximity and are accessible to desirable facilities tailored to the needs of the development's tenants will be awarded points. The listing of the desirable sites and the targeted area points (urban or rural) can be found in the QAP.
Maximum Points: 11.

7.4 Financing & Market

a. Leveraging Capital Resources: The Development has received a firm commitment that does not require any further approvals for public or private funds that specifically enhance and/or create significant costs savings for the Development.
Maximum Points: 4

b. Leveraging Opportunity Zones: Developments located in a designated Opportunity Zone with a commitment of funds from a Opportunity Fund will receive up to four points if such funding provides a demonstrated enhancement to the project as defined below.
Maximum Points: 3

c. Non-IHCDA Rental Assistance: Developments that have received a commitment of non-IHCDA funded rental assistance will receive two points.
Maximum Points: 2.

d. Previous funding within a Local Government: Points will be awarded if a Development's proposed site does not fall within the boundaries of a Local Government in which there has been an RHTC, and/or Tax Exempt Bond allocation within the last three year calendars years as of the application due date.
Maximum Points: 3.

e. Census Tract without Active Tax Credit Developments: Points will be awarded if the proposed project is in a Census Tract without any active RHTC developments of the same occupancy type (elderly or family).
Maximum Points: 3.

f. Housing Need Index: The proposed Development Site may earn up to 3 points if the area to be served demonstrates a need for affordable housing units.
Maximum Points: 3

g. Lease-Purchase: Development that will offer homeownership opportunities to qualified tenants after 15 years will be eligible (this option is not available for elderly developments).
Maximum Points: 2.

7.5 Other

a. Certified Tax Credit Compliance Specialist Points will be awarded for completion of certified trainings. Please see the QAP for a listing of eligible awardees and certifications.
Maximum Points: 3.

b. MBE/WBE/DBE/VOSB/SDVOSB: Points will be awarded for each certification submitted which meets the criteria outlined in the QAP.
Maximum Points: 4.

c. Unique Features: The Development has unique features that contribute to the Development of affordable housing in the community where the Development is located.
Maximum Points: 4

d. Tenant Investment Plan. Points in this category will be awarded based on the overall Tenant Investment Plan.
Maximum Points: 6

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 7 units, are designated as supportive housing for persons experiencing homeless. Developments proposing that 100% of the units will be supportive housing are eligible to complete in the Housing First Set aside, but are not eligible for points in this evaluation category.
Maximum Points: 6

f. Smoke Free Housing: Points will be awarded to developments that commit to operating as smoke-free housing.
Maximum Points: 3

g. Community Participation: 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.
Maximum Points: 3

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.
Maximum Points: 3

i. Technical Correction: During the funding round, and after IHCDA's review of Threshold for each Application, IHCDA will award bonus points for applications that have two or less technical corrections.
Maximum Points: 4.

j. Lack of Progress on Issuance of Form 8609: If a different development from a previous round was not issued the IRS form 8609 within 36 months of the date of the RHTC Carryover, any applications submitted during the round may be assessed a penalty.
Maximum Negative Points: -5

Part 8: Glossary

Below are definitions for commonly used terminology found throughout the IHCDA HTF application policy and forms and applicable to the IHCDA HTF program.

Development: The HTF activity proposed in the application.

Extremely Low-Income: A household at or below 30% of area median income.

HTF: The Housing Trust Fund program.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum income limits per household for program units. For HTF, the maximum income limit is 30% of area median income.

Median Income: A determination made through statistical methods establishing a middle point for determining income limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

Rent Limits: The HUD published maximum rent amount, including a utility allowance and any non-optional fees. Rent limits are published by bedroom size and by AMI level. For HTF, the maximum rent limit is the 30% AMI rent limit.

APPENDIX B.

PUBLIC COMMENTS

Subject: Notice of Filing 2020-2024 Consolidated Plan for Housing and Community Development
Date: Monday, February 3, 2020 at 8:01:47 AM Mountain Standard Time
From: Indiana Office of Community and Rural Affairs
To: aggeler@bbcresearch.com

Feb. 3, 2020

Notice of Filing 2020-2024 Consolidated Plan for Housing and Community Development

Notice is hereby given that the Indiana Office of Community and Rural Affairs, in coordination with the Indiana Housing and Community Development Authority, plan to file their 2020-2024 Five Year Consolidated Plan for Housing and Community Development ("2020 Consolidated Plan") with the U.S. Department of Housing & Urban Development (HUD) on May 15, 2020, contingent on federal funding allocation decisions. In the event that federal funding is delayed, the plan may be submitted to HUD after this date. The Draft 2020 Annual Action Plan, a subset of the full Consolidated Plan, contains a funding contingency plan. This Action Plan includes a one year spending plan for the Community Development Block Grant Program, the HOME Investment Partnership Program, the National Housing Trust Fund, the Emergency Solutions Grant Program and the Housing Opportunities for Persons with AIDS Program.

This document relates to programs that are funded through HUD under Title I of the Housing & Community Development Act of 1974 as amended. Annually, Indiana receives approximately $35 million for housing and community development funds. The Consolidated Plan provides guidance for allocation of those funds among housing and community development activities (e.g., economic development initiatives, infrastructure improvements, homeownership and rental programs).

The Office of Community and Rural Affairs will have the 2020 Consolidated Plan available for public inspection prior to its submission. Members of the public are invited to review the 2020 Consolidated Plan during the hours of 8:30 a.m. to 5:00 p.m., February 18, 2020, through April 10, 2020, at the Indiana Office of Community and Rural Affairs, One North Capitol, Suite 600, Indianapolis, Indiana 46204. The 2020 Consolidated Plan will also be available online at: www.in.gov/ocra/2369.htm

Information regarding the 2020 Consolidated Plan can be obtained by writing to: Office of Community and Rural Affairs, c/o 2020 Consolidated Plan, One North Capitol, Suite 600, Indianapolis, Indiana 46204-2027. Additional information may also be obtained via email at eogle1@ocra.IN.gov or on www.in.gov/ocra/2369.htm

Under the leadership of Lieutenant Governor Suzanne Crouch, who also serves as the Secretary of Rural Development, the Indiana Office of Community and Rural Affairs' (OCRA) mission is to work with local, state and national partners to provide resources and technical assistance to assist communities in shaping and achieving their vision for community and economic development. For more information, visit ocra.in.gov.

Contact:
Melissa Thomas
Office of Community and Rural Affairs
melthomas@ocra.in.gov
(317) 727-7682
Follow us: Facebook, Twitter, & Instagram

From: **Indiana Housing & Community Development Authority** ihcda@subscriptions.in.gov
Subject: Public Notice 20-04: Notice of Filing of 2020-2024 Consolidated Plan for Housing and Community Development
Date: February 3, 2020 at 12:01 PM
To: aggeler@bbcresearch.com

Click here to sign up for updates or to access your subscriber preferences.

Public Notice 20-04: Notice of Filing of 2020-2024 Consolidated Plan for Housing and Community Development

AVISO DE REGISTRO
DEL
INFORME 2020-2024 CONSOLIDATED PLAN

Para ver una versión en español de este anuncio de Aviso de Registro del Informe **2020-2024 Consolidated Plan for Housing and Community Development** visite el sitio web www.in.gov/ocra. Para traducciones al español de los documentos mencionados en este anuncio, escribir al Indiana Office of Community and Rural Affairs, One North Capitol, Suite 600, Indianapolis, Indiana 46204 o E-mail eogle1@ocra.in.gov o http://www.in.gov/ocra/2369.htm.

NOTICE OF FILING
OF
2020-2024 Consolidated Plan for Housing and Community Development

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Indiana Housing & Community Development Authority • www.ihcda.in.gov • (317) 232-7777

Subject: Community Block Development Grant Five-year Consolidated Plan Survey
Date: Thursday, January 16, 2020 at 8:02:01 AM Mountain Standard Time
From: Indiana Office of Community and Rural Affairs
To: aggeler@bbcresearch.com

Jan. 15, 2020

Community Block Development Grant Five-year Consolidated Plan Survey

The State of Indiana, as a recipient of funds from the U.S. Department of Housing and Urban Development, is conducting a survey to collect updated information on housing and community development needs to inform the upcoming Five-year Consolidated Plan. The Consolidated Plan sets the strategic vision for the State's allocation of housing and community development block grant funds between 2020 and 2024.

This survey is designed for those who work in the fields of housing and community development, lending, social services, fair housing and advocacy. Because this study is focused on the state’s smaller cities and rural areas, we are especially interested in hearing from individuals who work in these communities. Input on statewide issues that affect Indiana residents, regardless of where they live is welcomed. Please invite others in your field to participate in the survey.

Access the survey online at www.research.net/r/2020Indiana.

If you need translation of the survey into a language other than English or a reasonable accommodation to take the survey, please contact hello@rootpolicy.com or 970-880-1415.

If you have questions about the Consolidated Plan process or this survey, please contact Eric Ogle at the Office of Community and Rural Affairs by email at info@ocra.in.gov.

This survey closes on February 29, 2020, and your participation is appreciated.

Under the leadership of Lieutenant Governor Suzanne Crouch, who also serves as the Secretary of Rural Development, the Indiana Office of Community and Rural Affairs’ (OCRA) mission is to work with local, state and national partners to provide resources and technical assistance to assist communities in shaping and achieving their vision for community and economic development. For more information, visit ocra.in.gov.

Subject: RED Notice 20-10: 2020-2024 Consolidated Plan Stakeholder Survey
Date: Thursday, January 16, 2020 at 8:36:24 AM Mountain Standard Time
From: Indiana Housing & Community Development Authority
To: aggeler@bbcresearch.com

Red Notices

20-09: 2019 Common Cited Physical Inspection Non-Compliance Issues

20-08: Environmental Review and Section 106 Documents for Public Comment

20-07: HOME Fundamentals Training

20-06: HOME Innovative Round Selected Teams

20-05: Qualified Allocation Plan Workforce Housing Set-Aside for the 2021 Funding Round

20-04: Gap Funding for Applications for 4% RHTC and Tax-Exempt Bond Financing

20-03: 2020 Supportive Housing Institute Teams Selected

20-02: 2020 Utility Allowances

20-01: 2020 Strategic Management for CHDO and Non-Profit Development Executives Training

Click **here** to view the RED Notices webpage.

If your agency has a new staff member who wishes to receive this newsletter, e-mail **communications@ihcda.in.gov**

Real Estate Department Notice: 20-10

The State of Indiana, as a recipient of funds from the U.S. Department of Housing and Urban Development (HUD), is conducting a survey to collect updated information on housing and community development needs in the state to inform its new Five-year Consolidated Plan. The Consolidated Plan sets the strategic vision for the allocation of housing and community development block grant funds between 2020 and 2024.

This survey is designed for people who work in the fields of housing and community development, lending, social services, fair housing, and advocacy. Because this study is focused on the state's smaller cities and rural areas, we are especially interested in hearing from people who work in these communities. We also welcome input on statewide issues that affect Indiana residents, regardless of where they live.

You can access the survey online at: https://www.research.net/r/2020Indiana

Please invite others in your field to participate in the survey. This survey closes on February 29, 2020.

If you need translation of the survey into a language other than English or a reasonable accommodation to take the survey, please contact hello@rootpolicy.com or 970-880-1415.

IHCDA will release separate RED notices when the Consolidated Plan and Annual Action Plan are expected to be released for public comment, the date and locations of the Public Hearings, and when the IHCDA Allocations Plans regarding the HOME Investment Partnerships Program, Community Development Block Grant – Owner Occupied Repair Program and the National Housing Trust Fund are released for comment.

If you have questions about the Consolidated Plan process or this survey, please contact Samantha Spergel, Director of Real Estate Strategic Initiatives and Engagement at sspergel@ihcda.in.gov.

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