

**Schedule D, Section 1****A. Private Activity Tax-Exempt Bond Financing (“Bonds”) Requirements**

1. Developments that do not receive a direct allocation from the Authority because such Developments qualify for the RHTC pursuant to the Code (by virtue of being 50% or more financed with tax-exempt obligations issued after December 31, 1989) must satisfy and comply with all requirements for an allocation under this Allocation Plan and the Code. All applicants will be required to meet the threshold and scoring criteria of the Allocation Plan including but not limited to the following:
  - a. Applicant must submit the Multi-Family Housing Finance Application, including the Application Fee, on the application date(s) stated in the Allocation Plan.
  - b. The Authority will not accept requests for tax-exempt bonds for a development without an accompanying request for 4% rental housing tax credits.
  - c. Minimum scoring threshold for Bond Developments is 40.
  - d. Developments will be limited to a maximum of \$35,000,000 in bonds, while applicants will be limited to a maximum of \$80,000,000 in bonds in a calendar year. If the Authority determines that in its sole and absolute discretion it is in the interest of the State to allocate additional bond volume to such person, entity, or Development, then the Authority, with approval from the Indiana Finance Authority (IFA), may waive such limitation.
  - e. Applicants proposing rehabilitation, the rehabilitation hard costs must be in excess of \$20,000 per unit.
  - f. Applicants who are awarded bonds must file a Notice of Issuance by the date established in the Determination Letter.
  - g. Bond counsel on the transaction must be an Indiana firm.
  - h. Local Units of Government must pass a resolution prior to application submittal stating they will support and issue the Bonds. The Inducement Resolution must be submitted with the Application package (this does not apply if IHCD will be the issuer). Place in Tab B.
  - i. Applicants proposing an Acquisition/Rehabilitation development must submit an Attorney’s Opinion showing all buildings satisfy the 10-year general look-back rule of IRC Section 42(d)(2)(B) or that the buildings qualify for the acquisition credit based on an exception to this general rule [e.g., Section 42(d)(2)(D)(ii) or Section 42(d)(6)]. Place in Tab B.



- j. If the requested tax-exempt bonds for the development represents 50% or more of the aggregate basis of the building and land of the development, a formal allocation of credits from IHCDCA is not necessary. At the time of submitting the application, the Applicant must provide IHCDCA with an opinion of counsel that the applicant is not required to obtain an allocation of tax credits from IHCDCA and that the development meets the requirements of the Qualified Allocation Plan and the Code.
  - k. Within 30 days after the date of the Determination Letter, the Applicant must pay a reservation fee to the Authority. This fee is payable in addition to the Application fee and equals six and half percent (6.5%) of the annual anticipated amount of RHTCs for the Development or \$15,000, whichever is greater.
  - l. The Authority must approve all tax-exempt bond applications and any changes in ownership in accordance with Schedule B of this Allocation Plan.
  - m. Escrow closings will not be permitted under any circumstance.
  - n. IHCDCA reserves the right to use any and all carryforward bond volume solely for its purposes of acting as a bond issuer.
2. IHCDCA’s criteria for evaluating tax-exempt multifamily bond applications are the same threshold and scoring criteria as defined in the QAP. The Authority reserves the right to award bonds to a proposed development for any reason.

**B. Private Activity Tax-Exempt Bond Financing (“Bonds”) Requirements – IHCDCA as Issuer**

1. IHCDCA has the authority to directly issue Multifamily tax-exempt and taxable bonds. Given this ability, the Authority will review all deals prior to application and reserves the right NOT to issue bonds on the behalf of said development if the deal does not pass internal guidelines. In addition to the guidelines set forth in Schedule D, Section 1, the stipulations below will also apply to deals in which IHCDCA acts as the Issuer. Also, complete Form J.
- a. In addition to the fees listed in Schedule D, Section 1, an additional 0.5% of the total bond issuance will be charged to cover IHCDCA costs and be payable at the closing of the bonds. The applicant is also responsible for paying for issuers counsel. IHCDCA reserves the right to charge a lower fee depending on the structure of the bonds.
  - b. Applicants must schedule a meeting with the Authority no less than thirty (30) days prior to the application due date to discuss the deal and the possibility of the Authority assuming the role of Issuer for said transaction.
  - c. The use of the Authority as the Issuer will not give priority to such deals over deals in which IHCDCA does not assume this role.

