Root Policy Research
6740 E Colfax Ave, Denver, CO 80220
www.rootpolicy.com
970.880.1415

Final Report

State of Indiana 2024 Action Plan

PREPARED FOR:

Office of Community and Rural Affairs
Indiana Housing and Community Development Authority
www.in.gov/ocra
www.in.gov/ihcda

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(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 ("non-entitlement" 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, HOPWA, and HTF. 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. Each year, the state completes an Annual Action Plan which determines how the funds will be spent in the coming program year (PY).

The 2020-2024 five-year Consolidated Plan was approved by HUD in July 2020. This document, the 2024 Annual Action Plan, is the fifth action plan in the 2020-2024 Five-year Consolidated Plan cycle. It describes how OCRA and IHCDA plan to allocate HUD block grant funds during the 2024 program year (PY2024), which runs from July 1, 2024, through June 30, 2025.

2. Summarize the objectives and outcomes identified in the Plan

During PY2024, the State of Indiana expects to be able to receive $53.6 million in housing and community development block grant funds, consisting of:

- $30,738,746 in the Community Development Block Grant (CDBG);
- $13,557,160 in the HOME Investment Partnerships grant (HOME) and $6,194,042 in program income;
- $3,946,227 in the Emergency Solutions Grant (ESG);
- $2,197,984 in the Housing Opportunities for Persons with HIV/AIDS grant (HOPWA);
- $3,165,161 for the National Housing Trust Fund (HTF).

At the time this document was prepared, HUD's budget for PY2024 had not been determined. Contingency plans were developed to adjust the allocation if PY2024 funding is different than estimated.

CDBG Contingency Plan (included in draft plan before funding amounts were known):

If cuts are less than 25%:

- CDBG OOR and Stellar Pathways funding amounts will remain at current proposed percentages (of the total CDBG allocation).
- Admin and Technical Assistance will be adjusted to remain at allowable percentages.
- Remaining percentage reduction(s) needed will be spread throughout all other existing programs based on current need as determined by OCRA.

If cuts are greater than 25%:

- Stellar Pathways funding amount will remain at current proposed percentage (of the total CDBG allocation).
- Admin and Technical Assistance will be adjusted to remain at allowable percentages.
- Remaining percentage reduction(s) will be spread throughout all other existing programs based on current need as determined by OCRA.

CDBG will prioritize Wastewater Drinking Program (approximately 40% of CDBG funds), stormwater improvements (11%); owner occupied rehabilitation (10%); Stellar Pathways Program (13% yet only offered every other year); public facilities (8%); Main Street Revitalization (6%); Blight Clearance (5%); planning grants (3%); admin set-asides (2%); and technical assistance (1%).

HOME funds will prioritize rental construction projects (approximately 62% of HOME funds); affordable homeownership (15%); innovative developments (7%); CHDO Operating (5%); and CHDO Pre-development (0.9%). Remaining funds (10%) go to Admin costs. Program income is anticipated at $6,194,042 and will be made available for non-CHDO homebuyer and rental projects and TBRA ($1,800,000).

For ESG, IHCDA plans to allocate funding to approximately 15-19 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. IHCDA also allocates ESG funds to agencies to administer to emergency shelters and street outreach.

HOPWA will continue to assist persons with HIV and/or AIDS and who also have an income below 80% of AMI with housing placement and rental subsidies. HOPWA funds will prioritize TBRA (approximately 49% of HOPWA funds); STRMU (21%); housing information services (14%); facility-based housing subsidy assistance (4%); permanent housing placement (2%); and supportive services (1%). Approximately 10% of funding will be allocated to project sponsor administration and grantee administration.

IHCDA intends to allocate 90% of its HTF dollars to affordable rental housing, specifically for supportive housing for extremely low-income households, (<30% AMI) which may include persons transitioning from homelessness and persons with disabilities. The HTF will also provide gap financing for Rental

Housing Tax Credit developments and developments funded through HOME-ARP. 10% of the funds will be designated for Administrative costs, including capacity building and training. Any unused Admin funding will be used for construction of rental housing, specifically supportive housing.

3. Evaluation of past performance

OCRA remains committed to continuous improvement, and to ensuring that its CDBG programs consistently serve and prioritize the most current needs of rural areas. A study conducted by Ball State University (BSU) and commissioned by the Office of Community and Rural Affairs in 2022 showed that many Hoosier counties are primed for success, and that how OCRA develops plans and program to enhance that potential is critical. Recommendations outlined in the BSU study have assisted OCRA in the development of strategies and approaches to more effectively deliver programming in rural communities throughout the State of Indiana.

For example, OCRA has taken steps to further enhance its strategic stakeholder engagement approach. This approach played a key role in the successful implementation of the Green Infrastructure program-specific points outlined in the 2023 Action Plan. To achieve this success, OCRA proactively sought guidance from other funding and regulatory agencies such as the Indiana Department of Environmental Management (IDEM), USDA Rural Development (USDA_RD), and the Indiana Finance Authority (IFA). These agencies not only provided skilled personnel to aid in the development of an implementation plan for these points, but also initiated new, enhanced coordination of state-level efforts to evaluate available programming. By aligning cross-cutting requirements, the State of Indiana is able to reduce administrative learning and compliance costs for rural communities who engage in its diverse programming, including CDBG. OCRA also worked to ensure that impacted local stakeholders were involved in designing an implementation plan for its Green Infrastructure points. OCRA consulted with organizations such as the American Council of Engineering Companies (ACEC), the Rural Affair Working Group (RAWG), and Indiana Association of Regional Councils (IARC), and sought specific feedback from these stakeholder groups on best practices in the field. This review included a study of existing green infrastructure projects in rural areas, an analysis of challenges in accessing green infrastructure project funding, and an exploration of any other barriers or consequences to effective project design.

Additionally, OCRA remains committed to growing the expertise of its staff through ongoing professional development training. This training is designed to increase their knowledge in the areas of federal grants management and CDBG programming requirements. As a result of this training, OCRA has been able to improve its technical assistance provision to grant administrators and rural communities. Lessons learned have been instrumental in identifying needed enhancements to OCRA's grants management procedures and CDBG programming. In total, OCRA staff members have completed 525 hours of training provided by reputable organizations such as the National Grants Management Association (NGMA) and the Council of State Community Development Agencies (COSCDA).

Additionally, in the past year, OCRA has dedicated a significant amount of its resources and staff time to create a more comprehensive and functional CDBG handbook. This handbook is primarily used by OCRA certified grant administrators who assist rural communities in accessing CDBG funding statewide. This work has also created a new opportunity for OCRA to delve deeper into its own policy structure and will help lead the development of a new agency policy manual in PY2024. This resource will assist OCRA with training and development of new staff, while ensuring current policies are communicated to stakeholders with more transparency and efficiency. With one consolidated resource, OCRA is better equipped to stay engaged with federal regulatory changes from agencies such as Office of Management and Budget (OMB), U.S Department of Housing and Urban Development (HUD), U.S Department of Labor, Environmental Protection Agency (EPA) and Council on Environmental Quality (CEQ). OCRA's approach to regulatory tracking has also been enhanced, which has better prepared the agency to proactively implement and address necessary changes in the program while reducing the impact on communities.

OCRA remains committed to continuous improvement, and to ensuring that its CDBG programs consistently serve and prioritize the most current needs of rural areas. A recent study conducted by Ball State University (BSU) and commissioned by the Office of Community and Rural Affairs in 2022 shows that many Hoosier counties are primed for success, and that how our agency develops plans to enhance that potential is critical.

Along with the evaluation efforts described above, OCRA has continued to routinely review its entire CDBG grant program with the goal of reducing redundancies, and unnecessary burdens placed on communities. In 2021 and 2022, OCRA completed a series of in-person meetings (15 total) with local grant administrators to gather feedback on OCRA’s current programs. During these meetings, OCRA received diverse input on evolving needs and opportunities in non-entitlement communities post pandemic, along with ways to improve its CDBG program delivery.

This review has resulted in ongoing improvements to the grant programs and process such as:

- Updating OCRA's existing policy adoption process to prioritize and increase stakeholder engagement during development.
- Revising OCRA’s existing CDBG procurement forms and available admin guides to comply with the Buy American Build America Act, along with available Income Survey resources to ensure they are user-friendly and comply with all current federal and state requirements. Leveraging partners, such as ACEC, to offer new training opportunities to OCRA's certified grant administrators, including training focused on state and federal procurement procedures to enhance local skills and knowledge on best practices and requirements. Making improvements to OCRA’s electronic grants management system (eGMS) to better assess data and process applications including new upgrades to application scoresheets and new program income reporting.
- Expanding training opportunities for program staff to serve as subject matter experts and;
- Reallocating funds to ensure obligation and expenditure rates.

IN PY 2023, IHCDA focused on additional training and policy updates for the HOME Homebuyer program; IHCDA interviewed other Participating Jurisdictions who implement homebuyer programs, interviewed selected grantees on the program, and discussed the program with IHCDA's Homeownership Department and the Participating Providers to layer the buyer subsidy with IHCDA down-payment assistance programming.

Based on this critical feedback, IHCDA released an updated HOME Homebuyer Policy, a Closing Manual, which outlines the requirements and processes for selling a Homebuyer-assisted unit and hosted a six-part training series on the HOME Homebuyer Program. Based on feedback from Homebuyer applicants, IHCDA will be hosting additional trainings on the program throughout PY 2024, and will establish a HOME Homebuyer Roundtable Working Group, to continually solicit feedback, and design future trainings.

IHCDA has also continued to cross-train on the implementation of the HOME Homebuyer program and is in the process of developing Standard Operation Procedures.

In 2023, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The Institute has produced 57 supportive housing projects, and an additional 23 projects are in development. In 2023, 5 projects were added to the pipeline through the Institute process, and 4 were awarded IHCDA capital funds. IHCDA tracks housing stability rates, as this is a key metric of success for projects addressing homelessness. In 2023, Institute projects had a housing stability rate of 94%, meaning that 94% of tenants residing in IHCDA assisted supportive housing units in 2023 either stayed housed at the property or moved to another permanent housing situation.

The 2024 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year's Institute developments will be eligible for HOME Investment Partnerships Program (HOME) funds for a total of up to $500,000 dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2024 Institute continues to provide targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Trainings and technical assistance are focused on designing supportive housing for those referred from the Coordinated Entry System. Teams receive individualized technical assistance and resources to assist in completing their project. Industry experts, including staff from the IHCDA, provide insight on property management, financing, and building design.

4. Summary of Citizen Participation Process and consultation process

Public comment period. A public comment period was held between April 8, 2024, through May 8, 2024. The draft plan was posted on both the OCRA and IHCDA websites beginning on April 8, 2024.

Public hearings. Two public hearings on the Draft 2024 Action Plan were held virtually and in-person. The first hearing was held on February 20th at 4pm EST via Zoom and in person at the Indiana Government Center South in Indianapolis. The second hearing was held on April 15 at 4pm EST via Zoom and in person at the following locations: Downtown Indianapolis (1 North Capitol Ave., Indianapolis, IN 46204), Brookville Public Library (919 Main St. Brookville, IN 47012), Fusion 54 Coworking Space (101 W. Main St., Crawfordsville, IN 47933), Monticello Public Library (321 W. Broadway St. Monticello, IN 47960), and the Huntington Public Library (255 W. Park Dr., Huntington, IN 46750).

Notifications of the hearings were posted through RED notices, a statewide press release, through OCRA's Community Liaisons team, and via OCRA's social media pages. Notices reached more than 4,000 people.

Stakeholder interviews. 20 stakeholder interviews were conducted with housing and social service providers, organizational leaders, fair housing and civil rights organizations, advocacy groups, planners, housing authorities, and other individuals serving Indiana residents with special needs.

Resident survey. A statewide survey of residents was conducted between January and February 2024. A total of 2,620 residents responded to the survey. Survey questions focused on: housing and community and economic development needs; housing challenges and experiences; access to banking and credit; access to job opportunities and quality schools; and experiences with discrimination/domestic violence or sexual assault in housing.

5. Summary of public comments

Two public hearings on the draft 2024 Action Plan were held in February 2024 and April 2024. Three participants attended the first public hearing on February 20th online via Zoom; no participants attended the public hearing in-person. Primary themes from comments provided during the first public hearing included:

- Sharp increases in rent have forced many households to sacrifice basic need items such as food and medicine. Rent increases are compounded by the lack of housing options available as these households have very few choices and have to "make do" with small and substandard units.
- Low income families (especially those with children), Black and African Americans, and persons with disabilities face the greatest housing barriers in the state. Participants emphasized that these barriers don't necessarily vary by geography (e.g., urban, suburban, rural communities).
- Participants would like to see more opportunities for homeownership, innovative strategies to development new housing units, and programs to acquire accessible and affordable housing units for special needs populations.

Sixteen participants attended the second public hearing on April 15th online via Zoom and three participants attended the public hearing in-person at the downtown Indianapolis location. Primary themes from comments provided during the second public hearing included:

- Participants were supportive of reinstating funding for the Owner Occupied Rehabilitation Program (OOR) and generally feel that increases in maximum grant amounts for towns/cities ($350,000) and counties ($500,000) will make a positive difference for persons with disabilities and other special needs populations.
- Participants feel it is a good action item to award OOR grants to towns, cities, and counties on a quarterly basis.

During the 30-day public comment period, OCRA received an email with a public comment letter from Curry & Associates, Inc. which serves the state's rural cities, towns, and nonprofit utilities on a variety of community planning, infrastructure, and public facility needs. Comments were supportive of OCRA's proposed funding allocations for infrastructure projects including the WDW and SIP programs, Planning Grants, and the Steller Pathways Program. The organization recommends that OCRA maintain this funding as much as possible because these programs fulfill the greatest unmet community needs (specifically WDW, Planning, SIP, and Public Facilities).

Additionally, Root Policy Research received public comments from two residents in the Cities of Michigan (an entitlement community) and Mexico. A summary of comments received from residents by Root staff via phone is provided below.

- Residents are concerned about the state prison closing in Michigan City, including the effects that this will have on the individuals currently serving sentences in the prison. The individual specifically noted that it is unclear what the state plans to do to address their housing and service needs and cited the lack of transparency/mention of the project in the Action Plan.
- There is concern about infrastructure and water funding allocations to unincorporated cities and towns such as Mexico City. One individual expressed their concern that the city will not receive the funds they need to address their greatest community development and public facility needs over the upcoming program year.

(For details on public comments received during the 30-day comment period, see the Public Consultation appendix).

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

All public comments were reviewed and considered in finalizing the Action Plan for submittal to HUD.

7. Summary

Response continued from "Evaluation of Past Performance" above:

As the needs of communities have continued to evolve post-pandemic, OCRA made adjustments to its program allocations during FY 2023 and will continue to do so in FY 2024. These adjustments will include the reinstatement of funding for formerly suspended programs (Stellar Pathways and Main Street Revitalization Program; Stellar to be offered every other year) based on feedback from communities and various stakeholder organizations about how these programs could be adapted to meet the changing needs of the residents they serve.

Additional changes that will be implemented in 2024 Round 2 include:

1. OCRA has partnered with Stats Indiana, an Indiana University entity, a new measure of community resiliency. The Community Resilience Index is designed to be more forward-looking by focusing on a community's capacity for future economic growth. The resilience index gauges this capacity for future growth along the following dimensions:

    - Structure of local economy
    - Entrepreneurial activity
    - Human capital
    - Social capital
    - Broadband connectivity
    - Income inequality
    - Homeownership (an indicator of community attachment)

The Community Resilience Index is comprised of the following variables.

- Industry Diversity - This variable assesses the extent to which a county's economy encompasses a wide variety of industries or is focused on just a few. Source: Stats America Innovation Intelligence
- Entrepreneurship - This variable measures the percentage of workers who are self-employed. Source: Census ACS (S2408)
- Educational Attainment - This variable measures the percentage of adults with at least some college or higher. Source: Census ACS (S1501)
- Labor force participation - This variable measures the percentage of employment-to-population ratio for residents ages 16 or older Source: Census ACS (S2301)
- Social Capital - This composite index of three variables measures the percentage of social/civic organizations per capita, percentage of inactive voters, percentage of population w/ no religious affiliation. Source: FEMA Resilience Analysis and Planning Tool (RAPT)
- Broadband - This variable measures the percentage of % of households with a broadband internet connection. Source: Census ACS (B28003)
- Income Inequality - This data comes from the GINI index. Source: Census ACS (B19083)
- Homeownership - This variable measures the percentage of occupied housing units that are owner-occupied. Source: Census ACS (B25003)

OMB Control No: 2506-0117 (exp. 09/30/2021)

2. Program Specific Points will be adjusted for the Wastewater Drinking Water (WDW) program.

- For WDW, OCRA will begin adjusting its dated User Rate Benchmarks to address legislative taskforce recommendations and to better align with other common funding sources. OCRA will explore additional adjustments to these benchmarks in future funding years.
- WDW - Combined utility rates for the ongoing operation and maintenance activities of the wastewater, drinking water, and/or stormwater systems.

    - 0 points – Less than $50 combined user rates
    - 10 points – $50-$90 combined user rates
    - 25 points – More than $90 combined user rates

3. Reinstatement of CDBG funding for Stellar Pathways (every other year) and the Main Street Revitalization Program (MSRP)

4. Program Specific Points will be adjusted for MSRP in accordance with the 2020-2024 Con Plan including:

- Community is designated as a Nationally Accredited Main Street Organization (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 sustainability/fundraising plan in place. (Maximum of 10 points)
- The Main Street Organization has provided proof of philanthropic match for the project (Maximum of 10 pts)
- For streetscape projects:
    - The project has unique design elements or is part of a community branding effort. (Maximum of 10 points)

IHCDA values strong performance of organizations that receive these monies. To ensure this occurs, the agency monitors applicants for compliance on an annual basis. These performance reviews are taken into consideration for future funding levels and opportunities. Moreover, IHCDA has mechanisms throughout the program year to track and review compliance for performance.

In addition to the regular compliance monitoring, the Close-out Monitoring process allows IHCDA to determine if all reporting of initial tenant qualifications, procurement, and draw-downs and claims are completed according to federal regulations and program policies. Applicants with few or no findings can qualify for additional points on future funding applications.

IHCDA policy changes made in response to recent performance and compliance issues include:

- Implementing a policy which allows HOME funds to be granted to CHDOs in three specific other participating jurisdictions, namely Anderson, East Chicago, and Terre Haute.
- Removing the application fee for Homebuyer applicants
- Clarifying definitions of “development gap subsidy” and “direct subsidy”
- Increasing buyer subsidy to $60,000 (below 50% AMI) and $50,000 (above 50% AMI)
- Adding scoring categories for Life Expectancy, for post-purchase counseling, and for inclusion of units with 4+ bedrooms
- IHCDA will also continue to assess public comments on their respective policies and continue to make changes, when appropriate 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 organizations to reduce the length of time people experiencing homelessness stay in shelters. This strategy manifests itself through the uses 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 of Directors.

In 2023, IHCDA and the Indiana Balance of State Continuum of Care engaged a contractor to create a new Coordinated Entry System (CES) assessment process to produce more equitable outcomes and ensure households are served in a more trauma-informed manner, stably housed quickly, and matched with the appropriate housing placement. In addition, IHCDA has also identified an additional contractor to provide an annual evaluation of the CES, which is required by HUD.

The Indiana Balance of State Continuum of Care Strategic Plan 2023-2025 has established an objective to provide guidance, training, and technical assistance to support Regional Planning Councils in order to strengthen internal operations to ensure organizations and people are supported within the homeless response system. Action steps towards fulfilling this objective will require a monitoring schedule of ESG projects to ensure that necessary information is included to meet HUD and CoC requirements and developing consistent metrics to evaluate active participation by HUD-funded programs in Coordinated Entry and Housing First implementation. This allows for continuity across programs policies and procedures, ensuring individuals are tracked throughout their experience in homelessness.

PR-05 Lead & Responsible Agencies – 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

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	Department/Agency
CDBG Administrator	Christmas Hudgens	Office of Community and Rural Affairs
ESG, HOPWA Administrator	Kristin Svyantek Garvey	Indiana Housing and Community Development Authority
HOME, HTF Administrator	Peter Nelson	Indiana Housing and Community Development Authority

Table 1 – Responsible Agencies

Narrative

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

Consolidated Plan Public Contact Information

Christmas Hudgens, CDBG Program Director
OCRA
One North Capitol Ave, Suite 600
Indianapolis, IN 46204
317.499.6563 | ocra.IN.gov | chudgens@ocra.IN.gov

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

1. Introduction

This section describes the consultation efforts undertaken for the 2024 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

In PY2023, OCRA continued its commitment to expanding coordination between private and public social services providers. In December 2023, OCRA staff was invited to present at a meeting hosted by the Inclusion Institute of Indiana on the types of accessibility modifications and home repairs that are included in its OOR program and provided an agency update on OOR program relaunch plans. This engagement led to follow up conversations with other local subject matter experts on best practices to support the effective design of accessible housing modifications needed for the health and safety of rural homeowners in their respective communities.

CDBG and Community Liaison staff also met with representatives from the Indiana CRA Bankers Association (ICRABA). The ICRABA is comprised of members from around the state who are involved with the Community Reinvestment Act. Its purpose is the promotion of 1) key concepts of the Community Reinvestment Act, including lending, investments, services and community development; 2) community development opportunities for low- and moderate-income households and communities, small businesses, and small farms throughout the State of Indiana; and 3) education and networking opportunities for member institutions to help identify community development opportunities consistent with the CRA. OCRA staff shared details on current agency programs and initiatives (owner-occupied rehab program and any others) that are underway. The goal of this collaboration was to help members better understand what can be done in their communities to support these programs for the benefit of low- to moderate-income individuals and geographies throughout the state.

CDBG and Community Liaison staff met with representatives from Star Financial Bank to discuss complementary funding resources available for homeowners with eligible repairs in order to create cross promotion strategies that will allow communities to more holistically leverage all available opportunities.

OCRA has also engaged the Governor's Council for People with Disabilities (GCPD) to explore new opportunities for strengthening inclusively across OCRA programming. OCRA staff meet regularly with representatives from GPCD to discuss options and to explore new potential program resources for engaging communities on how to prioritize these efforts.

The Office of Community and Rural Affairs (OCRA) adopted a Strategic Plan for Rural Indiana (effective 2023-2024) to align the unique challenges of the state's rural areas with the agency's programs and place-making efforts. The Strategic Plan was developed from feedback gathered by OCRA in 2017 when staff completed a 13-stop listening tour to discuss community and economic development in non-metropolitan communities with regional partners, stakeholders, and constituents across rural Indiana. From these discussions, OCRA's Strategic Plan proposed the following programmatic and policy framework for 2023 and 2024: relaunching the Recovery Housing Program and working with FSSA to develop new partnerships/technical assistance resources for local providers and communities to promote positive program outcomes (based on lessons from 2021); conduct ongoing meetings to address long-term solutions to rural infrastructure planning and development by collaborating with USDA-RD; develop/present collaborative sessions among rural leaders; and improve resources available to OCRA-certified Grant Administrators to enhance community-based knowledge of CDBG procedures (among others). In 2023, CDBG staff received 105 hours of training on community/economic development; 18 hours of technical assistance training was provided to grant administrators on submitting program income reports; 16 new grant administrators were certified (for a total of 150); and communities received $2.9 million to develop recovery housing through the Recovery Housing Program.

Through a partnership with the Indiana Department of Health, the IHCDA Community Services staff—which oversees the ESG and HOPWA programs—has increased its capacity to make shelter safer for everyone, and to encourage shelters across the state to utilize best practices in disease and outbreak prevention. The project is designed to improve infectious disease emergency preparedness in congregate care settings, specifically shelters and encampments. For this project, IHCDA hired a 3-person team to work regionally with homeless service providers to provide education, training, supplies, and assistance in policy creation to prevent or address an infectious disease emergency should one occur in their area. This team will work closely in collaboration with the CoC to identify sites and regions to target for these supports and provide training that will benefit all CoC members. The team is working to make connections and build relationships between emergency shelters and local health departments and other key health stakeholders such as FQHCs. In addition, a Community Services staff member participates in the quarterly Indiana HIV/STI/Viral Hepatitis Advisory Council.

IHCDA has implemented a second iteration of the IndianaHousingDashboard.com, a website that has curated demographic, economic, educational, housing, and other publicly available statistics for us by local units of government, community development corporations and boards, for-profit and non-profit developers, and other interested parties. These statistics can be viewed on a 10-year time horizon and in comparison between any number of local geographies within the state. The latest version of the Dashboard also provides guidance for public outreach, cooperation with local government, zoning and permitting processes, and much more. The goal of the Dashboard is to empower housing providers and local planning boards to work together on setting goals with solid data behind their decisions.

Ongoing partnerships/involvement in state taskforces with several state and local agencies and key stakeholders include:

- The "Task Force on Rural Affairs" is led by the Lt. Governor with members representing a range of housing and economic interests related to rural communities. Members include state departments/agencies, units of local government, developers, elected officials, economic development professionals, and universities. The task force is responsible for studying the economic and demographic challenges experienced by rural counties in the state (and identifying how these challenges correlate with workforce development).

- The “Intellectual & Developmental Disabilities Task Force” including elected officials, state departments, non-profit organizations, disability rights advocates, consumers of services for people with intellectual or developmental disabilities, employees that provide services to people with disabilities, and family members of people with disabilities. The task force is authorized through 2025.
- The “Mental Health and Substance Abuse Task Force” includes representatives from several state departments/agencies, the Indiana University School of Medicine, Choices Coordinated Care Solutions, and other health and social service organizations. The task force was created to increase access to quality mental health and addiction services for children and families.
- The “Low Barrier Homeless Shelter Task Force” including elected officials, representatives from state and local government departments, and organizations focused on homeless intervention and prevention strategies. The task force was created to determine the building and operation costs of a lower barrier homeless shelter in a consolidated city; and to identify funding sources for shelters and other community based homeless programs.
- The “Housing as Medicine” taskforce that includes representatives from the state’s health department and Medicaid office.
- The “Social Determinants of Health” task force includes representatives from the state’s health department and Medicaid office. 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 Family and Social Services Agency’s Division of Mental Health and Addiction and 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 “Land Use” task force includes elected officials and residents with experience in residential construction; agriculture; business; food and beverage; local economic development; local planning and zoning; and land development or real estate. The task force was created to study development and growth trends in rural, suburban, and urban communities; and other community growth issues.
- IHCDA also manages the CHDO Working Group – of which 8-10 Community Housing Development Organizations meet quarterly to discusses best practices in their implementation of HOME-funded affordable housing projects. IHCDA will be re-engaging the CHDO Working Group in 2024.
- IHCDA has partnered with the State’s Division of Mental Health and Addiction and the Family and Social Service Agency to provide capital HOME funding to support the construction of

housing specifically for persons at risk of homelessness who have a Substance Use Disorder or Mental Health Disorder. This relationship will continue while PY2023 funding is still available.

- In cooperation with FSSA Division of Aging, IHCDA is studying anticipated supply and demand of age-restricted housing and services across the state over the next ten years. The study will be available as the PY2024 begins.
- The IHCDA Community Services division entered into a partnership with the Indiana Department of Health on a Homeless Health Infectious Disease initiative, which allowed IHCDA to hire three staff members who will be charged with working with congregate shelters to mitigate infectious diseases and ensure ongoing protocols.

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 a minimum of 4 times per year. IN-502 covers every county in the state except Marion County (equivalent to the City of Indianapolis).

The CoC Board members represent populations in the homeless community, including subpopulations such as chronic homeless, seriously mentally ill, chronic substance abuse, families, domestic violence, youth and veterans as well as two representatives from the Regional Planning Councils on Homelessness. As the Collaborative Applicant and HMIS Lead for the BoS CoC board, IHCDA, through the Community Services (CS) Division, oversees COC, ESG, and HOPWA funding sources. This structure allows for open communication and collaboration between CoC and ESG sub-recipients, which contributes to effective and equitable coordination of efforts to address the needs of homeless persons as well as continuity across funding sources and performance measures. Being located in Indianapolis also allows IHCDA to meet and partner with the Indianapolis CoC for statewide communication and coordination.

The BoS CoC board has committees set up to help reach special populations experiencing homelessness as well as governance of the CoC and its funds and continues to work on its organizational effectiveness to address homelessness throughout the state. The BoS CoC has approved their 2023-2025 CoC Strategic Plan, which was informed by stakeholders who observed additional challenges due to the COVID-19 pandemic and are concerned about the reduction and expiration of resources provided through the CARES Act. As part of the Strategic Plan, the IN BoS CoC will work to advocate for more resources that support the homeless response system and to right-size and refine programs across the housing spectrum for people experiencing homelessness.

The State ESG program presents their program plans to the BoS CoC Board, in addition to entitlement cities at their meeting annually. In March 2024, the IN BoS CoC Board aligned its committee structure to be able to address the needs of its 2023-2025 CoC Strategic Plan better and allow for collaboration with key stakeholders and partners that will build a more efficient and performance-based system to respond to homelessness. As part of its Strategic Plan, the In BoS CoC is working to incorporate appropriate racial equity analysis to inform the CoC Network and contribute to the Coordinated Entry system's assessment tool, process and prioritization scheme that creates a more equitable and trauma-informed process. The IN BoS CoC conducted a soft launch of the new CE assessment in January and February 2024 to test the process and gain feedback from clients and assessors. The task force is reviewing the prioritization policy in order to align it with the new assessment. The target roll-out date for the new assessment process is June-July 2024.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and 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, current subrecipients of the ESG program, and current permanent supportive housing rental assistance programs who have had experience with rental assistance. The application is also available publicly on the IHCDA website and any new partners interested in the funds are sent a reminder once it is public.

Each proposal is reviewed by at least one IHCDA Community Services staff person. The reviewer completes a built in scoring tool in the application, 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). Once applications have been scored they are presented to the IHCDA board for approval and the CoC Board as a courtesy.

The performance standards for ESG were developed in collaboration with the governing body for the Balance of State CoC Board through 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. These performance standards will be reviewed annually to reaffirm that performance standards continue to be in alignment. The 2023-2025 CoC Strategic Plan included an Action Item to develop metrics for participation in HUD-funded programs in Coordinated Entry and Housing First.

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2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	**Agency/Group/Organization**	American Planning Association
	Agency/Group/Organization Type	Agency – Management of Public Land or Water Resources Agency – Emergency Management Planning Organization Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Community Development Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 5, 2024.
2	**Agency/Group/Organization**	ARC of Indiana
	Agency/Group/Organization Type	Services – Persons With Disabilities Services – Families With Children Services – Education Community Organization Resources
	What section of the Plan was addressed by Consultation?	Housing Needs – Persons With Disabilities Housing Needs – Families With Children Community Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Three representatives from the organization participated in an in-depth stakeholder interview on March 20, 2024.

3	**Agency/Group/Organization**	Brazil Housing Authority
	Agency/Group/Organization Type	Public Housing Authority Housing Services – Housing Services – Families With Children Services – Homeless Services – Elderly Persons Services – Persons With Disabilities
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Public Housing Needs Homeless Needs – Veterans Homeless Needs – Chronically Homeless Homeless Needs – Families With Children Homeless Needs – Unaccompanied Youth Homelessness Strategy Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the housing authority participated in an in-depth stakeholder interview on March 13, 2024.
4	**Agency/Group/Organization**	Brightpoint
	Agency/Group/Organization Type	Housing Services – Housing Services – Homeless Services – Employment Services – Health Services – Families With Children Services – Narrowing the Digital Divide

	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Homeless Needs – Families With Children Homeless Needs – Unaccompanied Youth Homeless Needs – Chronically Homeless Homeless Needs – Veterans Economic Development Community Development Anti-Poverty Strategy Lead Paint Strategy ESG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 6, 2024. Brightpoint serves communities, families, and individuals in poverty and/or experiencing homelessness achieve self-sufficiency through a range of housing, employment, and other assistance programs.
5	**Agency/Group/Organization**	Coalition Against Domestic Violence
	Agency/Group/Organization Type	Housing Services – Victims of Domestic Violence Services – Victims Services – Housing Services – Employment Services – Fair Housing Violence
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-Homeless Special Needs Homelessness Strategy Anti-Poverty Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Two representatives from the organization participated in in-depth stakeholder interviews on March 5, 2024, and March 27, 2024. Representatives were also consulted to recruit survivors of domestic violence for focus groups.
6	**Agency/Group/Organization**	Coalition to End Sexual Assault and Human Trafficking
	Agency/Group/Organization Type	Services – Victims of Domestic Violence Services – Victims Planning/Community Development Organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Community Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Four representatives from the organization participated in an in-depth stakeholder interview on March 1, 2024. The coalition supports survivors, service providers, and advocates and assists capacity building efforts through evidence-based trainings. ICESAHT also addresses public policy while raising community awareness.
7	**Agency/Group/Organization**	East Chicago Housing Authority
	Agency/Group/Organization Type	Public Housing Authority Housing Services – Housing Services – Families With Children Services – Homeless Services – Elderly Persons Services – Persons With Disabilities

	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Public Housing Needs Homeless Needs – Veterans Homeless Needs – Chronically Homeless Homeless Needs – Families With Children Homeless Needs – Unaccompanied Youth Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on February 29, 2024.
8	**Agency/Group/Organization**	Governor's Council for People with Disabilities
	Agency/Group/Organization Type	Services – Persons with Disabilities Other Government – State
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Homeless Needs – Persons With Disabilities Community Development Economic Development Homelessness Strategy Anti-Poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on February 28, 2024.

9	**Agency/Group/Organization**	Grace Horizon
	Agency/Group/Organization Type	Services – Housing Services – Victims of Domestic Violence Services – Victims Services – Health Services – Employment Services – Narrowing the Digital Divide Violence
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-Homeless Special Needs Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 12, 2024. Representatives were also consulted to help recruit survivors of domestic violence for resident focus groups.
10	**Agency/Group/Organization**	HealthPlus Indiana
	Agency/Group/Organization Type	Services – Persons with HIV/AIDS Services – Health Services – Education
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs HOPWA Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 14, 2024.

11	**Agency/Group/Organization**	Hoosier Uplands
	Agency/Group/Organization Type	Services – Persons With Disabilities Services – Elderly Persons Services – Health Services – Low Income
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-Poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on February 28, 2024.
12	**Agency/Group/Organization**	Jeffersonville Housing Authority
	Agency/Group/Organization Type	Public Housing Authority Housing Services – Housing Services – Families With Children Services – Homeless Services – Elderly Persons Services – Persons With Disabilities
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Public Housing Needs Homeless Needs – Veterans Homeless Needs – Chronically Homeless Homeless Needs – Families With Children Homeless Needs – Unaccompanied Youth Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on February 29, 2024.

13	**Agency/Group/Organization**	Prosperity Indiana
	Agency/Group/Organization Type	Other Government – State Planning Organization
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Community Development Economic Development Anti-Poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Two representatives from the organization participated in an in-depth stakeholder interview on March 5, 2024.
14	**Agency/Group/Organization**	Purdue Extension
	Agency/Group/Organization Type	Services – Education Services – Migrant Farmworkers Services – Narrowing the Digital Divide` Planning and Research Organization
	What section of the Plan was addressed by Consultation?	Community Development Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 27, 2024.
15	**Agency/Group/Organization**	Statewide Independent Living Council
	Agency/Group/Organization Type	Other Government – State Services – Persons With Disabilities Services – Elderly Persons

	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-Homeless Special Needs Homeless – Persons With Disabilities Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on April 4, 2024.
16	**Agency/Group/Organization**	The League – Inclusion Institute
	Agency/Group/Organization Type	Services – Persons With Disabilities Services – Education Services – Fair Housing
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Community Development Anti-Poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Two representatives from the organization participated in in-depth stakeholder interviews on March 19, 2024, and March 20, 2024.

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

None; all relevant organizations and agencies were invited to participate in the process. OCRA and IHCDA utilized email notifications that reach more than 4,000 stakeholders and residents to encourage participation in the survey and public hearings.

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?
Continuum of Care	IHCDA	ESG goals are developed in collaboration with CoC planning through the inclusion of one board member that represents an ESG entitlement city collaborate interest
2020 Next Level Agenda	State of Indiana Governor's Office	CDBG goals and priorities support many aspects of the plan including supporting recovery from substance abuse addiction and enhancing educational attainment and broadband access.
OCRA Strategic Plan	OCRA	CDBG goals and priorities relate to rural challenges identified in the plan including the addiction crisis, affordable housing shortages, and aging water infrastructure.

Table 3 - Other local / regional / federal planning efforts

Narrative

IHCDA offers training and webinars to partner organizations on topics ranging from program application requirements to funds management to weatherization courses. IHCDA maintains resources on its website with detailed manuals that instruct its partners on how to develop and administer programs.

IHCDA partnered with the State Department of Health (IDOH) on mitigating the danger of Lead-based Paint through the Healthy Homes Resource Program and coordinates referrals from IDOH caseworkers to assist families who have children with an elevated blood lead level. IHCDA will also be launching the Healthy Homes Weatherization Cooperation Demonstration Grant in 2024, coordinate with a community action agency to braid both healthy homes funding and weatherization funding to assist households who are experiencing issues with mold and moisture intrusion, leading to asthma. As part of this effort, IHCDA has entered into an MOA with IDOH to share data across agencies and to receive referrals.   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. In 2023, IHCDA provided training on Lead-Based Paint to all COC, ESG, and HOPWA recipients to insure they understand and adhere to all related policies and procedures.

IHCDA 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. Through a partnership with FSSA, the Community Services Team will be rolling out TANF funding in June 2024 to current state ESG RRH recipients and ESG Entitlement recipients that will target housing needs for families and pregnant individuals. Later this year, we will be conducting a competitive portion to identify new projects.

IHCDA maintains its leadership role among 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 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. In 2023, a total of 371 households were assisted by the VASH program.

The Continuum of Care continues its work with entitlement cities that receive ESG funds to provided consultation and review project performance. The 2023-2025 CoC Strategic plan modified the terms of service of all board members. Board members (including the ESG representative) serve a 2-year term that can be renewed for another two years. Terms can be renewed three times. This 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.

Finally, IHCDA staff members participate on a number of housing and community related boards and councils where key staff meet on a regular basis to train, plan, and partner. In 2022, IHCDA entered into a formal partnership with the Indiana Department of Education to hire regional navigators who work with McKinney Vento Liaison Coordinators to create a bridge between community and school resources for youth and their families experiencing housing instability. IHCDA staff serve on the following housing and community related boards and groups.

- IHCDA Compliance Working Group
- IHCDA CHDO Working Group
- IHCDA HOME Homebuyer Roundtable

- Main Street Council
- Indianapolis Metropolitan Planning Organization Central Indiana Housing Steering Committee
- Hamilton County Housing Collaborative
- Indiana University Community Advisory Board
- Morgan County Long Term Housing
- Indiana Chapter of Women in Affordable Housing Network
- Urban Land Institute
- National Association of Housing and Redevelopment Officials (NAHRO) Board,
- Youth Justice Oversight Committee,
- Indiana Mental Health and Addiction (IMHA) Planning and Advisory Council,
- Indiana Housing Trust Fund Advisory Committee,
- Family and Social Services Administration (FSSA) Division of Aging workgroup for the Indiana Master Plan on Aging,
- Back Home in Indiana Alliance Steering Committee,
- National Association of Homebuilders Housing Credit Certified Professionals Technical Advisory Board,
- Recovery Supports Workgroup (DMHA/FSSA),
- Indiana Pregnancy Promise Steering Committee (FSSA),
- CoC network for the Balance of State and Marion County,
- Marion County Re-Entry Coalition, and
- Affordable Housing Association of Indiana Board.

Low and Moderate Income resident consultation: Consultation of LMI residents is conducted by interviewing service providers and organizations that work directly with these populations; findings from the Indiana resident housing survey; and resident focus groups. For the PY2024 Action Plan, stakeholders serving persons with disabilities, low income households, residents vulnerable to housing discrimination and homelessness, survivors of domestic violence, and local government and economic development officials participated in interviews to help identify priority needs.

Consultation for the Annual Action Plan included two in-person focus groups with residents in Fort Wayne; one focus group with survivors of domestic violence in March 2024; and a statewide resident housing survey available between January 2024 and February 2024. A total of 2,620 residents responded to the survey—over half (52%) of which have household incomes below $50,000 per year.

Public Housing Authority consultation: IHCDA acts as the statewide housing authority for areas not otherwise covered in Indiana. IHCDA administers the Section 8 housing voucher program for the balance of state. IHCDA was an active participant in drafting the 2024 Action Plan through review, edits, input, and public hearings. Interviews were held with local public housing authorities in February and March 2024 to discuss the Annual Action Plan, PHAs were invited to distribute the resident housing survey to public housing residents.

IHCDA's Director of Housing Choice Programs is on the NAHRO Board (the association of all PHAs in Indiana), so she is able to communicate updates and feedback between IHCDA and NAHRO.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Resident participation for the 2024 Action Plan included an online survey, available in January 2024 and February 2024; two virtual focus groups with survivors of domestic violence in March 2024; and two in-person focus groups on June 6, 2023, in the City of Fort Wayne.

Stakeholder consultation for the 2024 Action Plan included 20 number of interviews. Stakeholders included: public housing authorities; economic and community development professionals; housing and service providers; fair housing and civil rights organizations; advocacy groups; organizations that assist persons experiencing homelessness; religious groups; organizations working with seniors and persons with disabilities; LGBTQ+ advocates; and organizations serving survivors of domestic violence.

OCRA marketed the survey and public hearings using the Community Liaison Team through their assigned districts. It was also posted on OCRA's website and social media pages and was discussed during relevant stakeholder meetings including meetings with the Indiana Association of Regional Councils (IARC), Accelerate Indiana Communities (AIM), American Council of Engineering Companies Indiana (ACEC), Indiana Main Streets, etc. OCRA's Partner Contact emails reach approximately 2,200 email addresses.

IHCDA marketed the survey and public hearings through the following listservs (with the approximate number of recipients in parentheses):

1. IHCDA Updates (13,000)
2. IHCDA Real Estate Department (RED) Updates (3,400)
3. IHCDA Continuum of Care List (2,600)
4. IHCDA Community Services Contacts (350)
5. Regional Planning Council Chairs (23)

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Online survey	Residents	2,620	The survey captured residents' perspectives on a variety of housing and community and economic development needs and priorities, their experiences with housing discrimination and State programs, and access to banking and credit, job opportunities, and quality schools.	All surveys were reviewed and accepted.	English: https://www.surveymonkey.com/r/IndianaResidentHousingSurvey2024 Español: https://www.surveymonkey.com/r/IndianaResidentHousingSurvey2024?lang=es

2	Stakeholder discussions	Housing providers, organizations that assist persons at-risk of and experiencing homelessness, advocacy organizations, fair housing and civil rights groups, domestic violence service providers, and community and economic development organizations and officials.	20 interviews with 16 organizations, including: • American Planning Association • ARC of Indiana • Brazil Housing Authority • Brightpoint • Coalition Against Domestic Violence • Coalition to End Sexual Assault and Human Trafficking • East Chicago Housing Authority • Governor's Council on Disabilities • Grace Horizon • HealthPlus Indiana • Hoosier Uplands • Jeffersonville Housing Authority • Prosperity Indiana • Purdue Extension • Statewide Independent Living Council • The League, Inclusion Institute	Stakeholders across the state shared their perspectives on a variety of housing and community and economic development needs and priorities, their experiences with State programs, and their suggestions for changes and improvements. Feedback was also gathered on the state's fair housing landscape and access to equitable opportunities.	All input was considered in funding allocation and priority setting.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public hearings	Broad community	Two public hearings on the draft Action Plan were held. The first public hearing was held on February 20, 2024, at 4pm EST via Zoom and at the Indiana Government Center. Three participants joined virtually via Zoom; no participants joined in-person. The second public hearing was held on April 15, 2024, a 4pm EST via Zoom and in Downtown Indianapolis, Brookville Public Library, Fusion 54 Coworking Space (City of Crawfordsville), Monticello Public Library, and Huntington Public Library.	Comments during the first public hearing largely focused on the need for more affordable rental units, need for more homeownership opportunities, programs to acquire affordable/accessible housing units, and disproportionate housing barriers experienced by families with children, Black/African Americans, persons with disabilities, and seniors.	All verbal and written comments were accepted and considered in finalizing the PY2024 Plan	

4	Virtual Resident Focus Group	Survivors of Domestic Violence	One resident focus group was held with survivors of domestic violence on March 5, 2024. A total of three residents participated in the focus group. Root worked closely with the Coalition Against Domestic Violence, Coalition to End Sexual Assault and Human Trafficking, and Grace Horizon to recruit survivors of domestic violence to participate in resident focus groups.	• Housing options for survivors of domestic violence are limited to shelters due to barriers in the private rental market. • Survivors emphasized the importance of financial empowerment and stability. • More funding for housing and social service counselors is needed to meet survivors where they are. • Survivors would benefit from more apartment complexes/units with integrated and on-site support services. Apartments should prioritize survivors of domestic violence to facilitate housing choice and increase housing options for these populations.	All input was considered in funding allocation and priority setting.	https://us02web.zoom.us/j/83084706909?pwd=TEhmaXo1YkVtVGkwcElzRGxmR2Vsdz09

5	In-person Resident Focus Groups	Residents With Special Needs	Two in-person focus groups were held on June 6, 2023, in the City of Fort Wayne. Focus group participants represented both protected class groups as well as residents with special needs.	• Residents with disabilities have limited housing choice due to the lack of affordable and accessible housing near public transit. • Residents need more fair housing resources to educate tenants and landlords on federal and state fair housing law and basic fair housing violations. • Affordable rental units for large families are severely limited in all areas of the state. • Disparities in home appraisals are most prevalent in Black or African American communities, as well as homes with accessibility improvements. • Participants identified the most vulnerable populations in need of assistance as people with substance use	All input was considered in funding allocation and priority setting.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
				challenges, mental illnesses, criminal records, single parents, and LGBTQ persons.		
6	Public Comment Period	Broad community	A 30-day public comment period was held between April 8, 2024, and May 8, 2024. The draft plan was posted on both the OCRA and IHCDA websites beginning on April 8, 2024. Notices about the availability of the Draft Action Plan were emailed to partner stakeholders.	Three public comment letters and phone calls were received during the public comment period. Public comments in their entirety are included in the Citizen Participation Attachment.	All public comments were reviewed and considered in finalizing the Action Plan for submittal to HUD.	

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

This section specifies the expected amount of resources for the PY2024 Action Plan.

<u>CDBG Contingency Plan:</u>

If cuts are less than 25%:

- CDBG OOR and Stellar Pathways funding amounts will remain at current proposed percentages (of the total CDBG allocation).
- Admin and Technical Assistance will be adjusted to remain at allowable percentages.
- Remaining percentage reduction(s) needed will be spread throughout all other existing programs based on current need as determined by OCRA.

If cuts are greater than 25%:

- Stellar Pathways funding amount will remain at current proposed percentage (of the total CDBG allocation).
- Admin and Technical Assistance will be adjusted to remain at allowable percentages.
- Remaining percentage reduction(s) will be spread throughout all other existing programs based on current need as determined by OCRA.

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	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	$30,738,746	0	0	$30,738,746	$0	$12.5 million for Wastewater Drinking Program, $2.5 million for Public Facilities, $1.5 million for Blight Clearance Programs, $3.5 million for Stormwater Improvements, $3 million for Owner Occupied Rehabilitation (OOR), $2 million for Main Street Revitalization Program, $4 million for Stellar Pathways, $1 million for Planning Grants, $200,000 for Technical Assistance, and $538,746 for Admin Costs.

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: $		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	$13,557,160	$6,194,042	$25,659,761	$45,410,963	$0	$677,858 – CHDO Operating; $120,000 – CHDO Pre-development; $1,355,716 - Admin; $2,000,000 - HOME Homebuyer; $1,000,000 – HOME Innovation (Lease purchase demonstration); $8,403,586 - HOME Rental construction. Any CHDO Operating or Pre-development, Admin, or Homebuyer funding that is unused may be converted to HOME Rental Construction. Program income on hand will be used for non-CHDO construction projects (both rental and homeowner).

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: $		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	$2,197,984	0	0	$2,197,984	$0	$1,071,118 in TBRA $298,010 for housing information services $455,817 short-term rental, utilities and mortgage assistance $131,879 Project Sponsor Administration $90,685 Facility-Based Housing Subsidy Assistance $53,398 Permanent Housing Placement $65,939 Grantee Administration $31,135 Supportive Services.

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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: $		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	$3,946,227	0	0	$3,946,227	$0	$2,190,155 for emergency shelters with operations, essential services, and outreach; $1,460,104 in rental assistance for rapid re-housing; $295,967 for administration

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: $		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	$3,165,161	0	0	$3,165,161	$0	IHCDA will allocate 90% of its HTF dollars to affordable rental housing, specifically for supportive housing for extremely low-income households, (<30% AMI) which may include persons transitioning from homelessness and persons with disabilities. The HTF will also provide gap financing for Rental Housing Tax Credit developments and for HOME-ARP developments. 10% of the funds will be designated for Administrative costs, including capacity building and training. Any unused Admin funding will be used for construction of rental housing, specifically supportive housing.

Table 5 - 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

The primary anticipated matches for PY2024 include:

- CDBG—local government contributions for water and wastewater, stormwater, and public facilities
- HOME—supporting grants
- ESG—cash
- HOPWA—IDOH grants and Ryan White assistance.

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.

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

HOPWA Leveraging. The primary sources of funding are from the Ryan White Grants and public funding from the Indiana State Department of Health and HIV Care Coordination.

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

1) To use the applicant's own banked match, the match liability on the previous award during which the match was generated must already have been 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.

2) To use another Recipient's match, the applicant must provide a letter from the other Recipient verifying that the other Recipient is willing to donate the match.

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; 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. If publicly owned and donated land is used for match, that will be listed in the CAPER Match section.

Prior year resources. Prior Year funds will be used for eligible HOME projects, including rental construction projects, homebuyer construction, and the HOME Innovation projects. Prior Year Admin funds can be used for additional admin (up to the allowable cap, and for training contracts).

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Improve Community Water, Wastewater and Stormwater	2020	2024	Non-Housing Community Development		Water, wastewater and storm water system	CDBG: $16 million	Other: 25 Other
2	Support Community Revitalization	2020	2024	Non-Housing Community Development		Support of comprehensive community development	CDBG: $10 million	Other: 3 Brownfield/Clearance projects, 5 Public Facility projects, 3 Main Street Revitalization Community projects, 2 Stellar Pathways Designees
3	Provide Planning Grants to Local Governments	2020	2024	Non-Housing Community Development		Support of comprehensive community development	CDBG: $1,000,000	Other: 20 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Owner preservation, aging in place, accessibility (and new affordable home purchases)	2020	2024	Affordable Housing Non-Homeless Special Needs		Housing for low and very low income persons Homeownership opportunities low income households	CDBG: $3,000,000 HOME: $2,000,000	Homeowner Housing Rehabilitated: 186 Household Housing Unit HOME Homebuyer units: 15
5	Create and Preserve Affordable Rental Housing	2020	2024	Affordable Housing		Housing for low and very low income persons	HOME: $8,403,586 for rental projects and $1 million for innovation/lease purchase projects HTF: $3,165,161	Rental units constructed: 90 Household Housing Unit Rental units rehabilitated: 70 Household Housing Unit
6	Build Nonprofit Housing Developer Capacity	2020	2024	Affordable Housing		Support of comprehensive community development	HOME: $677,858 for CHDO operating and $120,000 for predevelopment	Other: 7 Other (capacity building)
7	Rapid Re-Housing and TBRA to Prevent Homelessness	2020	2024	Homeless Non-Homeless Special Needs		Tenant based rental and rapid re-housing	HOME: Program Income $1,800,000 ESG: $1,460,104	Tenant-based rental assistance / Rapid Rehousing: 8000 Households Assisted
8	Provide Operating Support for Shelters	2020	2024	Homeless Non-Homeless Special Needs		Assistance to homeless shelters	ESG: $2,190,155	Other: 50000 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Assist HIV/AIDS Residents Remain in Housing-STRMU	2020	2024	Non-Homeless Special Needs HIV/AIDS		Housing for low and very low income persons Tenant based rental and rapid re-housing	HOPWA: $455,817	Housing for People with HIV/AIDS added: 1000 Household Housing Unit
10	Provide Housing Information and Placement Services	2020	2024	Non-Homeless Special Needs		Support of comprehensive community development	HOPWA: $298,010 for housing information services; $53,399 for permanent housing placement; $31,136 for general supportive services	Other: 250 Other
11	Support Facilities Serving HIV/AIDS Residents	2020	2024	Non-Homeless Special Needs HIV/AIDS			HOPWA: $90,685	Other: 250 Other
12	Assist HIV/AIDS Residents Remain in Housing--TBRA	2020	2024	Non-Homeless Special Needs		Tenant based rental and rapid re-housing	HOPWA: $1,071,118	Tenant-based rental assistance / Rapid Rehousing: 700 Households Assisted

Table 6 – Goals Summary

Goal Descriptions

1	**Goal Name**	Improve Community Water, Wastewater and Stormwater
	Goal Description	OCRA will allocate $12,500,000 of its FY 2024 CDBG funds for the Wastewater Drinking Water (WDW). 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. WDW shall have a maximum grant amount based on present combined user rates (water, wastewater, and stormwater). 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. OCRA will allocate $3,500,000 of its FY 2024 CDBG funds for the Stormwater Improvements Program (SIP). 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 SIP shall have a maximum grant amount of $750,000. 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 this program.

2	**Goal Name**	Support Community Revitalization

	Goal Description	OCRA will allocate $1,500,000 of its FY 2024 CDBG funds for the Blight Clearance Program (BCP) 2.0. BCP 3.0 is currently under evaluation while OCRA determines the feasibility of expanding the program in the future to include residential properties. Applications will be accepted in rounds, and awards will be made on a competitive basis. OCRA will award grants to applications that meet the criteria outlined in Attachments C and D hereto. 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 this program. OCRA will allocate $2,500,000 of its FY 2024 CDBG funds for the Public Facilities Program (PFP) 2.0. 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 Attachments C and D hereto. The PFP shall have a maximum grant amount of $750,000. 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 this program. OCRA will allocate $0 of its FY 2024 CDBG funds for PreservINg Main Street. PreservINg Main Street will assist one (1) Nationally Accredited Main Street (NAMS) or Indiana Accredited Main Street (IAMS) community with historic preservation and economic revitalization efforts over a two (2) year period. Applications from NAMS and IAMS communities with registered downtown historic districts will be accepted in a single round every other program year and awards will be made on a competitive basis. The selected community will be eligible for $2,000,000 in set aside funds to implement downtown preservation projects based on a two-year preservation and revitalization strategy for their downtown historic district. The Main Street organization, along with the community foundation and LUG, will be responsible for raising a 10% match ($200,000) for the project, which could include a mix of private and local funds. The total match must be raised before the end of the 2-year pilot. Of that 10%: • 50% will be put in a permanent endowment/revolving loan fund for downtown projects • 50% will be supplied to the Main Street organization for long-term sustainability.

		For example, this could be used for two years of funding a staff position and thus elevating an IAMS community to a NAMS within that two years 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. OCRA will allocate $2,000,000 of its FY 2024 funds to the Main Street Revitalization Program (MSRP) OCRA will award MSRP grants to eligible applicants to assist Indiana communities with streetscape 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 an Indiana Accredited Main Street 2) The Main Street Organization is in good standing and has met all the reporting requirements; 3) The Main Street Organization has met their education requirement 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 and Nationally Accredited Main Streets are using a Transformation Strategy. 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 local 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 based on the total project cost as shown in the matrix below. The amount of CDBG funds granted will be limited to $5,000 cost per project beneficiary. Projects over $2 million in total project cost $600,000 Projects under $2 million in total project cost $500,000 Matching funds of at least 20% of the total project cost are required for all program applicants. 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 de-obligation or repayment of CDBG funds is possible. 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. OCRA will allocate $4,000,000 of its FY 2024 funds to the Stellar Pathways Program. Funds will be allocated to designees in the Action Plan for the fiscal year an application is anticipated from each active designee. Stellar will only be announced every other year. The Stellar Pathways Program seeks to engage four (4) regions to achieve a holistic, three-year revitalization strategy that will leverage unified state investment and other available funding from the partnering agencies to complete transformational projects. In the revitalization strategy, selected finalists will identify areas of interest and types of projects along four pathways (Advancing e-Connectivity, Enhancing Quality of Place, Promoting Community Wellness, and Strengthening Local Economies) following robust community outreach and engagement and through facilitated, pathway-specific focus groups. The resultant Strategic Investment Plan (SIP) will produce a schedule to complete projects, cost estimates, identify local match amounts and additional funding resources needed, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the region. Each partnering agency will choose catalyst projects to fund from each SIP, setting communities along a path to become Stellar upon completion of all selected projects.

		Evaluation and selection of the final regions to the Stellar Pathways Program will be based on: • Letter of Intent submitted • Completion of all outlined requirements of the Stellar Pathway Finalist designation. • Document the level of need and significance of each project in overall community revitalization efforts. • Capacity of the applicant to complete all activities and to administer the funds; 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.
3	**Goal Name**	Provide Planning Grants to Local Governments
	Goal Description	OCRA will allocate $1,500,000 of its FY 2024 CDBG funds for planning-only activities. OCRA 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 quarterly basis. The Planning Grant program shall have a maximum grant amount of $90,000. 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 this program. A list of eligible plans and their specific maximum grant amounts are 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.
4	**Goal Name**	Owner preservation, aging in place, accessibility (and new affordable home purchases)
	Goal Description	OCRA will allocate $3,000,000 of its FY 2024 funds for Owner Occupied Rehabilitation (OOR). 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 Attachments C and D hereto. The OOR program shall have a maximum grant amount of $350,000 for cities and towns and $500,000 for counties. Matching funds of at least 10% of the total project cost are required for all this program. The OOR program is funded by CDBG and administered by OCRA. HOME funds are used for homeownership construction and purchases administered by IHCDA. $2 million of HOME will be allocated for homeownership projects including construction activities and purchases overseen by IHCDA.

5	**Goal Name**	Create and Preserve Affordable Rental Housing
	Goal Description	HOME and NHTF will be used to create and preserve affordable rental housing. HOME dollars will 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 very low-income households. $8,403,586 (HOME) and $3,165,161 (HTF) will be allocated to rental projects and new construction. $1 million will be allocated to the HOME Innovation Round (for a lease purchase demonstration). If these funds are not utilized, they will convert to HOME rental construction.
6	**Goal Name**	Build Nonprofit Housing Developer Capacity
	Goal Description	This goal builds nonprofit capacity through pre-development funds and operating funds for CHDOs. CHDO pre-development funds are also available to eligible CHDOs on a rolling basis until funds are exhausted. CHDO operating fund dollars are also available to eligible CHDOs if they are funded for a CHDO Reserve project.
7	**Goal Name**	Rapid Re-Housing and TBRA to Prevent Homelessness
	Goal Description	Program Income allocated to TBRA will be converted to rental construction by CHDOs if not used. TBRA may be used in other participating jurisdictions.
8	**Goal Name**	Provide Operating Support for Shelters
	Goal Description	There will be approximately 60 agencies that will apply for the emergency shelter component that includes operations, essentials, and financial assistance and approximately 5-6 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, nonprofits) who have had experience with rental assistance and will be published on the IHCDA and Balance of State C of C website.

9	**Goal Name**	Assist HIV/AIDS Residents Remain in Housing- STRMU
	Goal Description	Funds will be made available in the following percentages of the total awards made to project sponsors: 1) At least 60 percent to direct housing assistance: long-term rental assistance, short-term rental assistance, and facility based operations; 2) No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; 3) No more than 35 percent to housing information and permanent housing placement activities; and 4) No more than 35 percent to supportive services that positively affect recipients' housing stability.
10	**Goal Name**	Provide Housing Information and Placement Services
	Goal Description	$298,010 in HOPWA funds will be used for housing information services; $53,399 for permanent housing placement; and $31,136 for general supportive services. Funds will be made available in the following percentages of the total awards made to project sponsors: 1) At least 60 percent to direct housing assistance: long-term rental assistance, short-term rental assistance, and facility based operations; 2) No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; 3) No more than 35 percent to housing information and permanent housing placement activities; and 4) No more than 35 percent to supportive services that positively affect recipients' housing stability.
11	**Goal Name**	Support Facilities Serving HIV/AIDS Residents
	Goal Description	Care Coordination Sites for one-stop shopping for persons to access the level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services, and housing as needed.

12	**Goal Name**	Assist HIV/AIDS Residents Remain in Housing--TBRA
	Goal Description	Funds will be made available in the following percentages of the total awards made to project sponsors: 1) At least 60 percent to direct housing assistance: long-term rental assistance, short-term rental assistance, and facility based operations; 2) No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; 3) No more than 35 percent to housing information and permanent housing placement activities; and 4) No more than 35 percent to supportive services that positively affect recipients' housing stability.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The State of Indiana does not prioritize the allocation of CDBG, HOME, or ESG geographically.

For CDBG awards, OCRA allocates 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.

In FY 2024, funding for previously suspended OCRA programs including Stellar, and the Main Street Revitalization Program (MSRP) that were temporarily paused for FY 2020, FY 2021, FY 2022 and FY 2023 has been reinstated. Stellar will be funded every other year.

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.

Funding Allocation Priorities

	Improve Community Water, Wastewater and Stormwater (%)	Support Community Revitalization (%)	Provide Planning Grants to Local Governments (%)	Owner preservation, aging in place, accessibility (%)	Create and Preserve Affordable Rental Housing (%)	Build Nonprofit Housing Developer Capacity (%)	Rapid Re-Housing and TBRA to Prevent Homelessness (%)	Provide Operating Support for Shelters	Assist HIV/AIDS Residents Remain in Housing- STRMU (%)	Provide Housing Information and Placement Services	Support Facilities Serving HIV/AIDS	Assist HIV/AIDS Residents Remain in	**Total (%)**
CDBG	54	33	3	10	0	0	0	0	0	0	0	0	**100**
HOME	0	0	0	16	77	7	0	0	0	0	0	0	**100**
HOPWA	0	0	0	0	0	0	0	0	23	18	5	54	**100**
ESG	0	0	0	0	0	0	40	60	0	0	0	0	**100**
HTF	0	0	0	0	100	0	0	0	0	0	0	0	**100**

Table 7 – Funding Allocation Priorities

OMB Control No: 2506-0117 (exp. 09/30/2021)

Reason for Allocation Priorities

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

IHCDA will continue its competitive Rental Construction rounds, to be held 1-2 times a year (depending on the availability of funds). IHCDA will allow non-profit partners who are proposing HOME rental projects in PJs that receive less than $500,000 to apply for IHCDA HOME fund through the competitive stand-alone HOME round. IHCDA will also allow for the use of HOME funding as supplemental gap financing for tax-credit projects.

IHCDA will hold $2 million of HOME Funding for HOME Homebuyer Construction activities. The HOME Funds will help to cover gaps in development budgets and in homebuyer affordability.

In 2023, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The 2024 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year's Institute developments will be eligible for HOME Investment Partnerships Program (HOME) funds for a total of up to $500,000 dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2024 Institute provided targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Training and technical assistance focused on designing supportive housing for those referred from the Coordinated Entry System. Teams received individualized technical assistance and resources to assist in completing their project. Industry experts, including staff from the IHCDA, provided insight on property management, financing, and building design.

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

IHCDA's method of distribution continues to target the various housing and homelessness priorities identified in the Consolidated Plan. IHCDA targets low- and very low-income persons through its HOME

Rental Program and Tenant Based Rental Assistance (TBRA) Program. The TBRA Program helps income-eligible households with rent, security deposits, and utility deposits, with specific attention towards low-income households with at least one member who is formerly incarcerated or who is exiting the corrections system without secure, stable housing. IHCDA also has higher subsidy limitations on HOME rental projects for units which target households at or below 50% AMI. IHCDA also awards competitive points through this policy for projects which have 20% of the units targeting 30% or 40% AMI households.

IHCDA will continue to set aside funding for the HOME Homebuyer Program and will continue to provide technical assistance to those organizations interested in participating. IHCDA has continued to streamline the application process for those who wish to apply under this program. IHCDA will also continue to work with the State Habitat for Humanity Office to provide technical assistance on the program. IHCDA will be piloting a lease-purchase program in PY24 to continue to build the pipeline of homebuyer properties.

To meet the priority need of supporting comprehensive community development, IHCDA will maintain its training schedule and will work alongside OCRA on the relaunch of the Stellar Program. The Stellar Program has been re-evaluated and was relaunched in 2024 with applications due in May 2024, with projects to be funded with PY2025 allocations.

In FY 2024, CDBG funds will be prioritized for basic health and safety improvements—specifically water and sewer infrastructure investments, public facilities, and clearance of blighted commercial and industrial sites—in rural areas that do not have the financial capacity or resources to make such critical improvements. Nearly half of the distribution of CDBG is typically allocated for these priority needs that help to address gaps in public infrastructure and services that arise as the needs of residents' change. The balance will address priority needs related to aging housing stock, economic growth and revitalization of rural communities with the goals identified in the Consolidated Plan through programs such as:

Stellar Pathways - The Stellar Pathways Program will be relaunched in FY 2024. Combining OCRA and IHCDA's experience with Stellar Communities, Regional Stellar, and the Hoosier Enduring Legacy, Stellar Pathways will elevate how regional planning occurs while partnering with universities and agency leadership in their community & economic development efforts. Stellar Pathways will guide regions to think innovatively and to take a holistic approach aligning identified needs and existing assets across four pathways. Regions will select projects within the Pathways following robust community outreach and engagement and through facilitated, pathway-specific focus groups. All finalists will develop Strategic Investment Plans that responds to the Region's identified needs.

Main Street Revitalization Program - The goal of this grant is to encourage communities with eligible populations to focus on long-term community development efforts. This can take the form of business creation, increased tourism, historic preservation, and other economic revitalization efforts catalyzed by innovative streetscape improvements in downtown commercial Indiana Main Street Districts.

Owner Occupied Rehabilitation (OOR) - OCRA recognizes that the effective management and administration of the (OOR) program is a significant effort at both the state and local level. As the needs of our rural communities continue to grow, the advantages of housing made available through the rehabilitation of existing homes seem evident based on public comment received. OCRA is also aware that numerous challenges exist which can impede the successful administration of this activity in accordance with all applicable federal requirements. For example, locally, there can be a great deal of variation from project to project and from community to community. Existing homes across the state differ in condition, age, etc. which can make the rehabilitation process far less predictable. Smaller rural communities with limited administrative capacity must often rely on regional partnerships, and/or other non-profits that act as sub-recipients for the OOR program because of the expense and complexity of the monitoring and oversight requirements. Challenges related to these requirements have become increasingly prevalent since the COVID-19 public health crisis and the resultant economic recession. The Office of Community and Rural Affairs (OCRA) recognizes the role of the OOR program in meeting the state's affordable housing needs and prioritized funding in FY 2024 to encourage continued use of the OOR program in rural communities to benefit aging and disabled residents.

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

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

Introduction:

This section summarizes the Methods of Distribution (MOD) for CDBG, HOME, HTF, ESG, and HOPWA for PY2024. Full MODs are appended to this Action Plan.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	**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/ihcda/program-partners/emergency-solutions-grant-esg/. 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 up to 15 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. The reviewer will complete a built in scoring tool in the application, 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 up to 15 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. . The reviewer will complete a built in scoring tool in the application, 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 and TBRA.
	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.
2	**State Program Name:**	HOME
	Funding Sources:	HOME

	Describe the state program addressed by the Method of Distribution.	The HOME applications and information can be found at: https://www.in.gov/ihcda/4084.htm Tenant based rental assistance programs funded with HOME have a separate application, found here: https://www.in.gov/ihcda/4102.htm HOME Partnerships Investment Program is used to fund affordable rental unit construction and rehabilitation, develop affordable owner-occupied housing (HOME Homebuyer), 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 pairing HOME funding with the Indiana Permanent Supportive Housing Institute or the Rental Housing Tax Credit Program must also meet the requirements of those applications to be eligible. HOME rental applications are evaluated based on a policy that has undergone public comment. The criteria include: Project characteristics, Development Features, Project Readiness and Developer Capacity, Leveraging Other Sources, Unique Features and Bonus. The scoring also incorporates points for accessibility and visitability features in housing developments. HOME homebuyer applications are accepted on a rolling basis. If there are not sufficient eligible homebuyer applications, these funds may revert to the rental program. The scoring incorporates points for accessibility and visitability features, as well as units with 4+ bedrooms in housing developments. CHDO Pre-Development Funds are also available to eligible CHDOs on a rolling basis until funds are exhausted. CHDO Operating Funds 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 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 2024 program year, the $13,557,160 (2024 Allocation) HOME funding will be allocated among the following programs: $8,403,586 rental construction projects $2,000,000 homebuyer construction projects $120,000 CHDO Operating and CHDO Pre-Development loans $1,355,716 administrative uses $1 million for the HOME Innovation Program, Lease-Purchase Pilot. If these funds are not utilized, they may convert to HOME rental construction. $1,800,000 Tenant Based Rental Assistance (TBRA) will be paid from Program Income. The balance of Program Income will be made available for non-CHDO homebuyer and rental projects. The balance of funds remaining and current year program income will be used for eligible activities which may include rental and homeownership construction, and CHDO Operating funds. If IHCDA does not receive sufficient eligible homebuyer applications then these set-aside funds may revert to rental construction after two years.

	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); and $500,000 for homebuyer projects. HOME funds used for acquisition, rehabilitation, new construction, soft costs, relocation, rent-up reserve, and developer fee combined cannot exceed the following amounts for units designated 50% AMI or higher on rental units : $104,000 for a studio, $121,000 for a 1-bedroom unit, $139,000 for a 2-bedroom unit, $170,000 for a 3-bedroom unit; and $185,000 for a 4-bedroom+ unit; or the following for units designated 40% or lower: $130,000 for a studio, $152,000 for a 1-bedroom unit, $174,000 for a 2-bedroom unit, $210,000 for a 3-bedroom unit and $232,000 for a 4-bedroom+ unit The minimum amount of HOME funds to be used for rehabilitation or new construction is $1,000 per unit. The Homebuyer subsidy cannot exceed the HOME maximum value limits. 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 or homebuyer. 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 and is experiencing housing instability. TBRA is available statewide. Information on the TBRA Administration Plan and the RFQ may be accessed here: https://www.in.gov/ihcda/4102.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. Metrics are typically expressed in number of households assisted or units created. Other metrics include: 1) Number of CHDOS; 2) Geographic diversity; 3) Green building techniques; 4) AMI targets; and 5) Populations served.
3	**State Program Name:**	Housing Opportunities for Persons with HIV/AIDS
	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/ihcda/program-partners/housing-opportunities-for-persons-with-aids-hopwa/ 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 or have a relationship with a current Indiana Department of State Health Care Coordination Site. • Previous experience providing HOPWA assistance. • Coordinated care. 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 or have a relationship with a current Indiana Department of State 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 or have a relationship with a 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
4	**State Program Name:**	National Housing Trust Fund
	Funding Sources:	HTF
	Describe the state program addressed by the Method of Distribution.	National Housing Trust Fund will be allocated in conjunction with HOME, HOME-ARP, and/or LIHTC funding to teams who complete the Indiana Supportive Housing Institute.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Applicants will be evaluated with the following criteria: 1) Eligible activities, 2) Needs of community, 3) Target populations to be served by the activities (<30% AMI and experiencing homelessness), 4) Support geographic diversity and link to comprehensive revitalization of existing neighborhoods, 5) Organizational capacity, 6) Energy efficiency of project, and 7) Use of M/WBE contractors.

	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.	All funds will be allocated to support the rehabilitation or new construction of supportive housing in conjunction with RHTC or HOME developments undertaken by teams that have completed the Indiana Supportive Housing Institute.

	Describe threshold factors and grant size limits.	The maximum request amount per application is $1,000,000 for eligible rental projects. At IHCDA's discretion, IHCDA may allow recipients to apply for additional HTF funding or award additional HTF funding if the project demonstrates additional needs and meets all subsidy layering and underwriting guidelines. HTF funds used for acquisition, rehabilitation, and new construction combined cannot exceed the following per bedroom limits: Studio - $139,750 1-bedroom - $163,400 2-bedroom - $187,050 3-bedroom - $225,750 4-bedroom+ - $249,400 Minimum amount of HTF funds to be used for rehabilitation or new construction is $1,000 per unit.
	What are the outcome measures expected as a result of the method of distribution?	Number of units constructed, acquired, and/or rehabilitated for <30% AMI households and persons experiencing homelessness.
5	**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: • Stellar Pathways Program, • Blight Clearance Program 2.0 , • Main Street Revitalization Program, • Public Facilities Program , • Wastewater Drinking Program, • Stormwater Improvements Program, • PreservINg Main Street, • Owner Occupied Rehabilitation, • Needs Responsive Fund, • Urgent Need Fund, • Pilot Programs, • Planning Grants, • 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 2024 program year, the $30,738,746 million is expected. CDBG funding will be allocated among the following programs: • $12.5 million for Wastewater Drinking Program, • $2.5 million for Public Facilities, • $1.5 million for Blight Clearance Programs, • $3.5 million for Stormwater Improvements, • $3 million for Owner Occupied Rehabilitation (OOR) • $2 million for Main Street Revitalization Program, • $4 million for Stellar Pathways • $1 million for Planning Grants, • $200,000 for Technical Assistance, and • $538,746 for Admin Costs.
	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.

AP-35 Projects – (Optional)

Introduction:

For the 2024 program year, the State proposes to allocate funding to the following activities:

CDBG funds:

- $12.5 million for Wastewater Drinking Program,
- $2.5 million for Public Facilities,
- $1.5 million for Blight Clearance Programs,
- $3.5 million for Stormwater Improvements,
- $3 million for Owner Occupied Rehabilitation (OOR)
- $2 million for Main Street Revitalization Program,
- $4 million for Stellar Pathways
- $1 million for Planning Grants,
- $200,000 for Technical Assistance, and
- $538,746 for Admin Costs

HOME funds:

- $8,403,586 rental projects/construction
- $2,000,000 homeownership projects/construction
- $120,000 for CHDO operating and pre-development
- $1,355,716 million administrative uses
- $1 million for the HOME Lease-Purchase Pilot.
- Program Income:
  - $1.8 million Tenant Based Rental Assistance (TBRA) TBRA may be used in other Participating Jurisdictions
  - Non-CHDO homebuyer and rental projects
- The balance of funds, and any Program Income collected during PY2023, may be made available

for rental, homebuyer or CHDO operating funds (up to the allowable cap).

- Any Program Income collected in PY 2023 can be utilized in PY 2024.

ESG funds:

- $2,190,155 emergency shelters with operations, essential services, and outreach
- $1,460,104 rental assistance for rapid re-housing
- $295,967 for administration

HOPWA funds:

- $1,071,118 in TBRA
- $ 298,010 for housing information services
- $ 455,817 for short-term rental, utilities and mortgage assistance
- $131,879 for project sponsor administration
- $90,685 facility-based housing subsidy assistance
- $53,398 for permanent housing placement
- $31,135 for supportive services
- $65,939 grantee administration

HTF: $3,165,161 for acquisition, rehabilitation, and new construction of supportive housing to serve <30% AMI households and persons experiencing homelessness. 10% of the allocation will be set aside for Administrative costs. Any Admin funds remaining will be made available for acquisition, rehab, and construction of supportive housing.

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

PY2024 allocations prioritize housing needs of the most under-resourced residents, including persons with disabilities, experiencing or at-risk of homelessness, with substance abuse disorders, and/or with mental illness challenges. These Indiana residents have been most impacted by the pandemic and rising housing costs. For CDBG, investments prioritize infrastructure improvements and economic revitalization to assist non-entitlement areas in their continued recovery from the pandemic and jump start private investment.

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

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

No

Available Grant Amounts

N/A

Acceptance process of applications

N/A

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.

Exact criteria vary by program, yet all programs prioritize assisting low-income households. Most of IHCDA's housing programs prioritize 50% AMI households; ESG and HOPWA generally reach 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 HTF. Evaluation of the HTF program applications includes a geographic diversity components and leverage of comprehensive community revitalization.

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, and Clark counties. These four counties are served by Louisville/Jeffersonville, KY-IN MSA. In addition, Dearborn, Franklin, Ohio, and Union Counties are served by the Cincinnati, OH-KY-IN MSA. 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. IHCDA will be evaluating the HOPWA program in 2024 and soliciting feedback from service providers to ensure the allocation of funds meet the needs of eligible populations and modernization of the program.

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 through HOME funding. 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	20
Non-Homeless	255
Special-Needs	20
Total	295

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	75
The Production of New Units	200
Rehab of Existing Units	20
Acquisition of Existing Units	0
Total	295

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion:

The precise number 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. In addition to the number of units produced or preserved, the quality of the housing developments and supportive programming is a strong focus of the HOME funding program.

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

Since January of 2019, IHCDA has approved eight Rental Assistance Demonstration projects, preserving 1,081 units across the State of Indiana.

In the 2025 QAP, ten percent (10%) of available annual Rental Housing Tax Credits will be set aside for Developments involving the substantial rehabilitation of existing federally assisted affordable housing and/or the demolition and decentralization of federally assisted affordable housing units utilizing the same site (over 50% of the units must be replaced in the Development/Application).

This includes:

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

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

- If a Development contains multiple building and construction types, at least 50% of the units must qualify as preservation units; and

- Rehabilitation hard costs must be in excess of $30,000 per unit excluding the costs of furniture, construction of community buildings and common area amenities. However, USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common area amenities in the minimum per unit amount. Note: for Developments competing in all other set-asides, rehabilitation hard costs must be in excess of $20,000 per unit.

In addition, IHCDA also offers points to Rental Housing Tax Credit Applications who propose the preservation of HUD or USDA affordable housing (including, but not limited to Project Based Section 8, Public Housing or RD 515 Properties).

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 2024 Action Plan, the State considered feedback from housing and social service providers as well as economic development professionals about the growing challenges of assisting residents experiencing homelessness. Stakeholders expressed concern about the shortage of housing and services available for persons with mental illnesses and substance use challenges as well as renters with histories of eviction and/or felonies. Discussions with stakeholders also revealed a significant need for more funding for local shelters and programs serving residents experiencing homelessness (including households at risk of homelessness).

An adequate supply of affordable housing with integrated services and community supports is critical for residents with special needs including persons with disabilities, survivors of domestic violence, and seniors. Stakeholders would like to see more robust housing and services, as well as funding for organizations to conduct prevention outreach and strategies (in addition to intervention strategies).

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.

In October 2023, IHCDA released a report and evaluation of the state’s Balance of State CoC Coordinated Entry System (CES) processes. The report was completed in collaboration with C4 Innovations to gather accurate information that evaluates the effectiveness of the client flow through the CES; and to identify racial disparities within the CoC’s CES.

Several recommendations were developed from stakeholder interviews, surveys, and HMIS data analysis. Over the next year, IHCDA will work with its partners to assess the feasibility of implementing the following action items to increase homeless outreach and improve homeless needs assessments:

- Expand the United Way Grant to cover transportation costs in rural areas and for individuals with disabilities.
- Develop targeted outreach strategies for youth, young adults, families, immigrants, and seniors that address their unique needs.
- Enhance communication and advertising throughout the CES system, especially in rural areas and regions to increase residents' awareness of available resources.
- Maximize the PIT count to engage with individuals experiencing homelessness and connect them with CES resources.

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-25), 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 2023-2025 CoC Strategic Plan was informed by experience from the Board of Directors, stakeholders, and a planning session between the Board of Directors and IHCDA. Important goals laid out were to increase affordable housing opportunities for people experiencing homelessness, advocate for resources to support the homeless response system, create a more equitable homeless response system to support and elevate minoritized people, strengthen internal operations to ensure organizations and people are supported within the homeless response system, and right size and refine programs across the housing spectrum for people experiencing homelessness. These goals in coordination address the holistic needs for both the individual level and state level by incorporating personalized information into the homeless response system and advocating for increased affordable housing opportunities.

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 requires annual evaluation reports of CES performance to ensure that both qualitative and quantitative information is collected and used to identify opportunities for continuous system improvement. IHCDA's policy requires CES leads and their partners to complete a comprehensive evaluation of participant outcomes with the opportunity to change coordinated entry processes that are not working. Results from the evaluation are shared with funders and policy makers—to build capacity and strengthen the continuum of care for persons experiencing homelessness.

A persistent barrier to the transition to permanent housing is lack of employment and accessible transportation, especially in rural areas. Employment and transportation barriers preventing the transition to permanent housing disproportionately impact youth, young adults, and persons with disabilities. Emergency shelters also reported that clients face challenges in moving from shelters 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.

Given the above barriers, IHCDA has committed to considering new initiatives and working partnerships across the state to increase access to housing vouchers and priority measures for voucher waitlists based on vulnerability, homeless status, domestic violence experience, elderly status, and families with children.

In developing the 2023 CES Evaluation Report, IHCDA heard from CES stakeholders that many applicants accept any housing option offered to them due to the lack of affordable housing options available—and although applicants have a choice in their housing, many feel they have to accept any opportunity they are given. To this end, IHCDA and partners will consider providing educational materials for clients about the CES process to manage housing expectations. Materials may not control the flow of the CES but can increase understanding and improve system communications—IHCDA has proposed including materials on websites (e.g., IndianaHousingNow.org), distributing materials to providers, and hanging materials out to CES applicants.

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. In 2022, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The 2024 Institute will address issues of homelessness with a focus on serving people with high needs who are referred from the CE system by helping supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process.

The 2024 Institute developments will be eligible for only 100% permanent supportive housing developments. Developments are eligible for Low Income Housing Tax Credits (LIHTC) through the Housing First Set-Aside of IHCDA's Qualified Allocation Plan (QAP). Development teams are eligible to request additional capital funds in the form of low interest loans from IHCDA through the Indiana Affordable Housing and Community Development Fund program. Teams will also have access to project-based rental assistance from IHCDA in the form of project-based vouchers if local project-based vouchers are not available.

The Institute and its partners will provide targeted training, technical assistance, capacity-building resources, and the opportunity to apply for predevelopment 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 IHCDA, will provide insight on property management, financing, and building design. As stated in the Institute's 2024 RFP, upon completion, partners will have: individualized supportive housing plans with supportive service and delivery strategies; skills to operate existing supportive housing and develop new projects; strong property management and service teams; and access to capital funding and rental assistance from IHCDA. Institute deliverables include: approved project concept including site selection and minimum development design characteristics; Memorandum of Understanding; a shared mission statement; Community Support Plan; Detailed Supportive Services Plan; Tenant Selection Plan; Tenant Involvement Plan; Property Management Plan; Eviction Prevention Plan; operating policies and protocols; and preliminary project proposals and budgets.

The State of Indiana allocated significant funding for a range of housing, community development, and economic development programs and activities targeting low income households and special needs populations in FY2023. Programs and activities included: homeless prevention grants to support programs that prevent homelessness among foster youth, expectant mothers, and other special needs groups; Regional Economic Acceleration and Development Fund; Housing First Program; Attainable Homeownership Tax Credit Program; and funding for a Low Barrier Homeless Shelter Grant Program in Indianapolis.

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	25
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	375

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

Introduction:

Barriers to addressing affordable housing needs that have been identified in the housing analysis from the Consolidated Plan and 2024 Analysis of Impediments to Fair Housing Choice (AI) include:

- Poor condition of affordable housing stock according to residents and stakeholders due to residents' inability make needed improvements (due to low incomes) and difficulty obtaining private sector loans to complete needed improvements.
- Disproportionately high levels of cost burden and lower homeownership rates for minority populations due to historically low incomes, high mortgage denial rates, and lack of affordable/ publicly subsidized housing to meet their needs. Cost burden gaps are greatest for minority residents earning between 30 and 50 percent AMI—those just over the poverty level. Homeownership rates are lowest for Black or African American residents.
- High mortgage loan denial rates for non-White residents, even when adjusting for income level.
- Minority residents, residents with disabilities, single parents, and low income households are more likely to express challenges buying a home because they cannot save enough money for a down payment and/or meet mortgage loan qualifications.
- 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. Around one in five (21%) of residents live in a home or apartment that does not meet their family's disability needs. The most needed accessibility improvements are grab bars in bathrooms, ramps, and wider doorways.
- High rates of eviction due to non-payment of rent for Black/African Americans, households with children, single parents, and large households. Rent increases among persons with a disability, extremely low to moderate income households, and minority residents.
- Landlords not accepting service animals and charging higher rents or deposits for persons with disabilities requesting reasonable accommodations.
- Landlords not renting to families with children and charging higher rents or deposits for families with children.
- Limited housing opportunities for survivors of domestic violence/human trafficking according to residents and service providers. Housing choice is restricted for this population due to rental application requirements (e.g., credit scores, background checks), lack of affordable rental housing, and discriminatory housing practices.

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. Almost all residents with a disability in the state have incomes below the federal poverty line.
- 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.
- Limited economic mobility for racial/ethnic minorities and special needs households (e.g., saving a certain amount of money each month for emergencies and goals such as education, homeownership, gifts, or vacations).

The factors contributing to these issues are:

- Economic weaknesses in some non-entitlement areas preventing residents from making needed repairs.
- Lack of affordable and 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 and the Violence Against Women Act (VAWA).
- Insufficient resources to fund ADA improvements to public buildings and infrastructure, particularly in rural areas.

The IndianaHousingDashboard.com is up and running, providing a wide range of data for community organizations and housing planners around the state. IHCDA is working to develop the second iteration of the dashboard which will provide additional sets of data with the granularity of census tracts, all with additional tools for market needs analysis and additional resources for funding and planning.

Also, in its 2023-2024 QAP, IHCDA will require all developments in the housing tax credit program to create an Affirmative Fair Housing Marketing Plan (AFHMP) using HUD Form 935.2A. This requirement will affect nearly all rental developments assisted with HOME Funds and HTF.

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. In 2022, IHCDA coordinated with FHCCI to provide a workshop for owners, developers, and property staff to better understand Fair Housing laws and compliance. These partnerships will continue during the 2024 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 and Homebuyer Policies 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. Together, these categories enable IHCDA to ensure projects are being funded in areas of opportunity and in addition to areas where there is a high need for assistance.

The state will continue the Neighborhood Assistance Program which provides tax credits for nonprofit organizations to leverage contributions for neighborhood programs and projects that benefit economically disadvantaged areas and persons. Projects eligible for tax credits under the program include: affordable housing; counseling services; child care; education assistance; emergency assistance; job training; medical care; recreational facilities; downtown rehabilitation activities; and neighborhood revitalization activities. Tax credits are awarded in the amount of $40,000 per organization.

In early 2024, IHCDA hosted a technical assistance webinar to answer general questions about HOME Rental Construction application forms for developers. The webinar also aims to educate applicants about IHCDA's goal of funding housing for low-income people that are accessible, energy-efficient, and include MBE, WBE, Federal Disadvantaged Business Enterprise (DBE), VOSB, and/ or SDVOSB contractors and team members. IHCDA will also allow for CHDOs to apply for HOME funding if their project is located within a PJ who receives less than $500,000 of HOME if the PJ also commits HOME funding to the project; this policy can assist with financing HOME projects which otherwise may have significant financial gaps in markets in which a larger LIHTC project may not be feasible, or in which there is not a market.

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: Grow American (formerly known as 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. IHCDA will continue these trainings in PY 2024. Through 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.

In early 2023, IHCDA's compliance team offered a free webinar training for owner and management agents that need to complete the 2022 Annual Owner Certification of Compliance. The training focused on how payments can be completed in the IHCDA online payment portal, adding units and utility allowances, recertification, and other related topics. In 2023, IHCDA, in partnership with TDA consulting and HUD's CHDO Technical Assistance Provider, provided a 17-week training series on Community Housing Development Organization (CHDO) regulations and non-profit management best practices. The training includes presentations and assignments for participants aimed to improve project management.

IHCDA maintains its commitment to funding Tenant Based Rental Assistance. IHCDA designed its TBRA program to improve the range of housing options for income qualified formerly incarcerated individuals. Under IHCDA's TBRA Program, IHCDA may provide security deposits, utility deposit assistance, or rental assistance.

A separate and distinct program offered by IHCDA is the RampUp Program. RampUp provides grants to nonprofits to install exterior ramps to homes (up to $5,000 per home) to improve accessibility for those Hoosiers with mobility and movement challenges. This program can assist any household with a member who is under six years of age, who is over 62 years of age, or who has a disability. Other limited repairs and modifications can be done to improve access, including the widening of doorways and the minimization of thresholds.

In 2023, IHCDA and the Indiana Balance of State Continuum of Care engaged a contractor to create a new Coordinated Entry System (CES) assessment process to produce more equitable outcomes and ensure households are served in a more trauma-informed manner, stably housed quickly, and matched with the appropriate housing placement. In addition, IHCDA has also identified an additional contractor to provide an annual evaluation of the CES, which is required by HUD.

In 2023, IHCDA completed a study for the Indiana General Assembly on the feasibility of continued development of affordable assisted living facilities. The study provided information about demographic characteristics including percentage of the population in older age brackets, the percentage of people living with a disability, and the percentage living in areas with great housing needs. In part, the study highlighted the challenges of developing affordable assisted living in small towns and in counties where density is extremely low.

In 2023, IHCDA and the Family and Social Services Administration – Division of Aging commissioned a study on the current and future state of age-restricted housing across all regions of the state. This study, which is due to be delivered in May 2024, will illuminate the anticipated need for additional funding for owner-occupied repairs and additional development of age-restricted housing units.

Included in the study are considerations for services being offered to seniors and other individuals living with a disability to be covered by Medicaid waivers.

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.

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

1. Meeting the housing needs of a specific community;
2. Reaching households with low and very low-income levels of income;
3. Linking projects to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
4. Advancing projects that promote aging-in-place strategies for seniors, persons with disabilities, and families with seniors or persons with disabilities;
5. Completing 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

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.

IHCDA has also updated its housing counseling requirements for HOME Homebuyer applicants.

The HOME regulations at 92.254(a)(3) require all homebuyers who receive HOME assistance or purchase units developed 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 follow 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 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 more than just providing basic housing information, placement or referral services.

IHCDA offers pre-purchase and post-purchase counseling as eligible under this policy. The delivery method may be flexible (in-person, by phone or via the internet), but the counseling must be specific to the homebuyer. Counselors at a minimum must provide eight hours of training; at least six hours must be pre-purchase. Certificates are 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.

Actions planned to reduce lead-based paint hazards

Utilize the Healthy Homes Resource Program

IHCDA received awards of $2 million from the Healthy Homes Production Program,$4.7 million from the Lead Hazard Reduction Program and $1 million from the Healthy Homes Weatherization Cooperation Demonstration Grant Program . Using these three awards, IHCDA established the “Healthy Homes Resource Program” (HHRP) to provide services and programs directly related to health hazards and lead paint in the home. The program is offered by IHCDA statewide and provides repairs to both owner-occupied and rental housing for critical repairs to health hazards, including Lead Paint Hazard control, Radon Mitigation, Moisture Intrusion, Mold, Structural Issues and Accessibly Barriers. The program also includes cooperative efforts with the Indiana Community Action Agencies.

Healthy Homes Production Grant funding is exclusively for direct costs associated with the identification and remediation of housing related health and safety hazards). Those costs allowable with the Healthy Homes Supplemental funding include costs for the assessment of housing units, for housing-related health and safety hazards, development of scopes of work for remediation of identified housing-related health hazards, conducting such remediation, re-evaluation of the completed work, reporting, notification to occupants and owners, if different, of the nature and results of the remediation.

The Healthy Homes inspection process is a risk-based assessment and will consider the effects on occupants’ health. This assessment will be incorporated into the initial lead hazard risk assessment to minimize disruption to the occupants. The top six weatherization deferments include mold, structural issues, roof leaking, standing water, access issues, and electrical.

From the list of 29 hazards in the Healthy Homes rating chart, IHCDA has determined the following hazards, in order of priority, to be addressed based on funding:

- Radon
- Moisture Intrusion
- Electrical Hazards
- Access issues
- Structural issues
- Lead Based Paint

IHCDA's Lead Hazard Reduction Grant is also available to owner-occupied and rental households statewide. The program can be used to address lead paint hazards, targeting households with children under the age of six, with priority for those families in which a child has an elevated blood lead level. Lead-based paint hazards will also be addressed through HOME funded rehabilitation activities. IHCDA developed new lead program application forms and has provided multiple trainings on how to address lead-based paint through both of these programs in partnership with HUD.

The Healthy Homes Weatherization Cooperation Demonstration Program (HHWCD) will target households who have been deferred from the Weatherization Program due to needed repairs to address health hazards. Through this new pilot, IHCDA will be able to braid three funding sources together (HHP, HHWCD and Weatherization Funds) to holistically address needed repairs. IHCDA will be piloting this program in Marion County.

IHCDA will continue to offer workshops 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.

IHCDA keeps a database of lead-free housing for rental units which undergo lead hazard control through HHP.

As part of the Healthy Homes Resource Program, and in cooperation with the Department of Health, 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/ihcda/homeowners-and-renters/lead-protection-program/.

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 2023, the State of Indiana established several education and workforce development programs including the career scholarship account program and fund; career scholarship account administration and donation fund; connecting students with careers fund; teacher higher education and industry collaboration grant program and fund; career coaching grant fund; and the intermediary capacity building fund. As part of this effort, the Commission for Higher Education will develop and implement a comprehensive career navigation and coaching system for Indiana and award grants to eligible entities to establish navigation and coaching systems. Schools will be required to provide instruction to students on career awareness including skill competencies, career fairs, and opportunities to meet with employers or labor organizations.

The state also created the Northeast Indiana Strategic Development Fund and the Strategic Development Commission in 2023 to develop and implement plans and policies that will increase the per capita personal income relative to the national average; increase the population in development areas; increase postsecondary education and credential attainment; increase number of business startups and programs to support entrepreneurs; incentivize collaboration between K-12 school systems, higher education institutions, and industries; expand access to and the availability of infrastructure needed to facilitate development and population density; and perform strategic planning involving regional efforts for economic development.

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 incentivize the construction of HOME projects in areas with public transit, low unemployment, high job growth, proximity to employers, low poverty rate, and higher household income at the county and census tract level. 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.

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 OCRA 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 to ten 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.

IHCDA continues to offer trainings at no cost to partners and in an online format for those from around the state who wish to participate without the burden of additional expenses related to travel.

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 PY2024, 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. OCRA regularly presents and attends conferences hosted by AIM, Association of Indiana Counties (AIC), the American Council of Engineering Companies and IARC as well.

OCRA holds regular "listening sessions" in non-entitlement 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 Allocation 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, via virtual meetings, and in-person when requested. Production Analysts also traditionally attend ribbon cutting ceremonies, groundbreakings, and other promotional events.

IHCDA Analysts conduct one-on-one outreach meetings throughout the year. Partners can request meetings to get specific information or technical assistance on IHCDA programs. The information provided at these meetings is tailored to address the specific needs of the partner organization. Analysts and other IHCDA staff utilize their existing contacts to initiate meeting offers to current and potential partners. Outreach meetings provide an opportunity for partners to meet their analysts as well as to ask questions and to provide input and feedback on IHCDA policy.

IHCDA also sponsors, in partnership with the Indiana Affordable Housing Council, 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.

In 2023, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The 2024 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year’s Institute developments will be eligible for HOME Investment

Partnerships Program (HOME) funds for a total of up to $500,000 dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2024 Institute provides targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Trainings and technical assistance focus on designing supportive housing for those referred from the Coordinated Entry System. Teams receive individualized technical assistance and resources to assist in completing their project. Industry experts, including staff from the IHCDA, provide insight on property management, financing, and building design.

IHCDA continues to partner with the Indiana Department of Heath on its Healthy Homes Resource Program. IHCDA has started the Indiana Healthy Homes Roundtable which meets monthly to discuss lead-based paint issues throughout the state. The group consists of IHCDA and ISDH. IHCDA has established a strong relationship with the Family and Social Services Administration (FSSA) to assess affordable assisted living supply, along with production of housing for persons with intellectual or developmental disabilities, or persons who have a chemical addiction.

IHCDA will continue to foster partnerships with organizations providing eviction and legal services to residents across the state. As an example, IHCDA continues to partner with the Indiana Community Action Association and the Indiana Bar Foundation to improve eviction and legal services. From the findings and recommendations included in the Eviction Task Force’s final report, IHCDA appropriated funding to both organizations for improved and expanded housing navigation, eviction prevention, and mediation services. Funding was also provided for the installation of kiosks in libraries, courthouses, and other public spaces.

Program Specific Requirements

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

Introduction:

This section outlines the program specific requirements for all funding sources.

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	0
Total Program Income:	**0**

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. Specify the years covered that include this Annual Action Plan.	80.00%

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

OMB Control No: 2506-0117 (exp. 09/30/2021)

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 ($1,000.01) 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).

   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).

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 (HOME Homebuyer policy on pages 31-32). IHCDA does use the home affordable homeownership limits published by HUD.

   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.

   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.

   The limits can 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 (the mortgaged amount), 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.

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 developed and continues to improve 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 up to 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 Annual Action Plan 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 the Balance of State CoC Board who has been formerly homeless and currently lives in a permanent home after recently leaving permanent supportive housing. As a member of the committee Board of Directors, this representative considers all committee provides guidance to our CoC Programs and their policies and procedures and is currently participating in the CoC's Strategic Planning Process. 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 collaboration 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 subrecipients 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

2. 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. Awards will be allocated based on the following criteria:

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 detail in Part I of the 2021 HTF Draft Policy which is part of Appendix A (Methods of Distribution) in the Grantee Unique Appendices. Appendix A MOD also includes HOME Rental Application Policy, HOME Homebuyer Policy, and HOME Innovation Round RFP, and Institute RFP.

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 current QAP; and,
5. The availability of HTF funds.

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”.

Selection criteria are described in detail in Part I of the HTF Draft Policy which is part of Appendix A (Methods of Distribution) in the Grantee Unique Appendices. Applicants will be evaluated with the following criteria: 1) Eligible activities, 2) Needs of community, 3) Target populations to be served by the activities (<30% AMI and experiencing homelessness), 4) Support geographic diversity and link to comprehensive revitalization of existing neighborhoods, 5) Organizational capacity, 6) Energy efficiency of project, 7) Use of M/WBE contractors.

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 for 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

Design, construct, or rehabilitate, and market affordable housing for homeownership.

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 permanent 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 16 points 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.

g. 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 93 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 11 points for projects that meet the criteria as outlined in Sections 7.2 (l) Tax Credit Per Unit; 7.2 (m) Tax Credit per Bedroom; 7.4 (a) Leveraging Capital Resources; and 7.4 (c) 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 HTF Policy (pp. 16-17) for the per unit subsidy limits. A description of how the limits were determined by be found in the same section.

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".

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) and experiencing homelessness. For this funding cycle, 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 and/or HOME Rental Applications.

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 or have a relationship with a current Indiana Department of State 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 or have a relationship with a current Indiana State Department of Health Care Coordination Site, we are providing a one stop shop for people to access level of care that is needed. People 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, and 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.

ACTION PLAN.

OVERFLOW TEXT

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

Evaluation of past performance

OCRA remains committed to continuous improvement, and to ensuring that its CDBG programs consistently serve and prioritize the most current needs of rural areas. A study conducted by Ball State University (BSU) and commissioned by the Office of Community and Rural Affairs in 2022 showed that many Hoosier counties are primed for success, and that how OCRA develops plans and program to enhance that potential is critical. Recommendations outlined in the BSU study have assisted OCRA in the development of strategies and approaches to more effectively deliver programming in rural communities throughout the State of Indiana.

For example, OCRA has taken steps to further enhance its strategic stakeholder engagement approach. This approach played a key role in the successful implementation of the Green Infrastructure program-specific points. To achieve this success, OCRA proactively sought guidance from other funding and regulatory agencies such as the Indiana Department of Environmental Management (IDEM), USDA Rural Development (USDA_RD), and the Indiana Finance Authority (IFA). These agencies not only provided skilled personnel to aid in the development of an implementation plan for these points, but also initiated new, enhanced coordination of state-level efforts to evaluate available programming. By aligning cross-cutting requirements, the State of Indiana is able to reduce administrative learning and compliance costs for rural communities who engage in its diverse programming, including CDBG. OCRA also worked to ensure that impacted local stakeholders were involved in designing an implementation plan for its Green Infrastructure points. OCRA consulted with organizations such as the American Council of Engineering Companies (ACEC), the Rural Affair Working Group (RAWG), and Indiana Association of Regional Councils (IARC), and sought specific feedback from these stakeholder groups on best practices in the field. This review included a study of existing green infrastructure projects in rural areas, an analysis of challenges in accessing green infrastructure project funding, and an exploration of any other barriers or consequences to effective project design.

Additionally, OCRA remains committed to growing the expertise of its staff through ongoing professional development training. This training is designed to increase their knowledge in the areas of federal grants management and CDBG programming requirements. As a result of this training, OCRA has been able to improve its technical assistance provision to grant administrators and rural communities. Lessons learned have been instrumental in identifying needed enhancements to OCRA's grants management procedures and CDBG programming. In total, OCRA staff members have completed 525 hours of training provided by reputable organizations such as the National Grants Management Association (NGMA) and the Council of State Community Development Agencies (COSCDA).

Additionally, in the past year, OCRA has dedicated a significant amount of its resources and staff time to create a more comprehensive and functional CDBG handbook. This handbook is primarily used by OCRA certified grant administrators who assist rural communities in accessing CDBG funding statewide. This work has also created a new opportunity for OCRA to delve deeper into its own policy structure and will help lead the development of a new agency policy manual in PY2024. This resource will assist OCRA with training and development of new staff, while ensuring current policies are communicated to stakeholders with more transparency and efficiency. With one consolidated resource, OCRA is better equipped to stay engaged with federal regulatory changes from agencies such as Office of Management and Budget (OMB), U.S Department of Housing and Urban Development (HUD), U.S Department of Labor, Environmental Protection Agency (EPA) and Council on Environmental Quality (CEQ). OCRA's approach to regulatory tracking has also been enhanced, which has better prepared the agency to proactively implement and address necessary changes in the program while reducing the impact on communities.

OCRA remains committed to continuous improvement, and to ensuring that its CDBG programs consistently serve and prioritize the most current needs of rural areas. A recent study conducted by Ball State University (BSU) and commissioned by the Office of Community and Rural Affairs in 2022 shows that many Hoosier counties are primed for success, and that how our agency develops plans to enhance that potential is critical.

Along with the evaluation efforts described above, OCRA has continued to routinely review its entire CDBG grant program with the goal of reducing redundancies, and unnecessary burdens placed on communities. In 2021 and 2022, OCRA completed a series of in-person meetings (15 total) with local grant administrators to gather feedback on OCRA's current programs. During these meetings, OCRA received diverse input on evolving needs and opportunities in non-entitlement communities post pandemic, along with ways to improve its CDBG program delivery.

This review has resulted in ongoing improvements to the grant programs and process such as:

- Updating OCRA's existing policy adoption process to prioritize and increase stakeholder engagement during development.
- Revising OCRA's existing CDBG procurement forms and available admin guides to comply with the Buy American Build America Act, along with available Income Survey resources to ensure they are user-friendly and comply with all current federal and state requirements. Leveraging partners, such as ACEC, to offer new training opportunities to OCRA's certified grant administrators, including training focused on state and federal procurement procedures to enhance local skills and knowledge on best practices and requirements. Making improvements to OCRA's electronic grants management system (eGMS) to better assess data and process applications including new upgrades to application scoresheets and new program income reporting.
- Expanding training opportunities for program staff to serve as subject matter experts and;
- Reallocating funds to ensure obligation and expenditure rates.

IN PY 2023, IHCDA focused on additional training and policy updates for the HOME Homebuyer program; IHCDA interviewed other Participating Jurisdictions who implement homebuyer programs, interviewed selected grantees on the program, and discussed the program with IHCDA's Homeownership Department and the Participating Providers to layer the buyer subsidy with IHCDA down-payment assistance programming.

Based on this critical feedback, IHCDA released an updated HOME Homebuyer Policy, a Closing Manual, which outlines the requirements and processes for selling a Homebuyer-assisted unit and hosted a six-part training series on the HOME Homebuyer Program. Based on feedback from Homebuyer applicants, IHCDA will be hosting additional trainings on the program throughout PY 2024, and will establish a HOME Homebuyer Roundtable Working Group, to continually solicit feedback, and design future trainings.

IHCDA has also continued to cross-train on the implementation of the HOME Homebuyer program and is in the process of developing Standard Operation Procedures.

In 2023, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The Institute has produced 57 supportive housing projects, and an additional 23 projects are in development. In 2023, 5 projects were added to the pipeline through the Institute process, and 4 were awarded IHCDA capital funds. IHCDA tracks housing stability rates, as this is a key metric of success for projects addressing homelessness. In 2023, Institute projects had a housing stability rate of 94%, meaning that 94% of tenants residing in IHCDA assisted supportive housing units in 2023 either stayed housed at the property or moved to another permanent housing situation.

The 2024 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year's Institute developments will be eligible for HOME Investment Partnerships Program (HOME) funds for a total of up to $500,000 dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2024 Institute continues to provide targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Trainings and technical assistance are focused on designing supportive housing for those referred from the Coordinated Entry System. Teams receive individualized technical assistance and resources to assist in completing their project. Industry experts, including staff from the IHCDA, provide insight on property management, financing, and building design.

Summary

Response continued from "Evaluation of Past Performance" above:

As the needs of communities have continued to evolve post-pandemic, OCRA made adjustments to its program allocations during FY 2023 and will continue to do so in FY 2024. These adjustments will include the reinstatement of funding for formerly suspended programs (Stellar Pathways and Main Street Revitalization Program) based on feedback from communities and various stakeholder organizations about how these programs could be adapted to meet the changing needs of the residents they serve.

Additional changes that will be implemented in 2024 Round 2 include:

1. OCRA has partnered with Stats Indiana, an Indiana University entity, a new measure of community resiliency. The Community Resilience Index is designed to be more forward-looking by focusing on a community's capacity for future economic growth. The resilience index gauges this capacity for future growth along the following dimensions:

    - Structure of local economy
    - Entrepreneurial activity
    - Human capital
    - Social capital
    - Broadband connectivity
    - Income inequality
    - Homeownership (an indicator of community attachment)

The Community Resilience Index is comprised of the following variables.

- Industry Diversity - This variable assesses the extent to which a county's economy encompasses a wide variety of industries or is focused on just a few. Source: Stats America Innovation Intelligence
- Entrepreneurship - This variable measures the percentage of workers who are self-employed. Source: Census ACS (S2408)
- Educational Attainment - This variable measures the percentage of adults with at least some college or higher. Source: Census ACS (S1501)
- Labor force participation - This variable measures the percentage of employment-to-population ratio for residents ages 16 or older Source: Census ACS (S2301)
- Social Capital - This composite index of three variables measures the percentage of social/civic organizations per capita, percentage of inactive voters, percentage of population w/ no religious affiliation. Source: FEMA Resilience Analysis and Planning Tool (RAPT)
- Broadband - This variable measures the percentage of % of households with a broadband internet connection. Source: Census ACS (B28003)
- Income Inequality - This data comes from the GINI index. Source: Census ACS (B19083)
- Homeownership - This variable measures the percentage of occupied housing units that are owner-occupied. Source: Census ACS (B25003)

2. Program Specific Points will be adjusted for the Wastewater Drinking Water (WDW) program.

- For WDW, OCRA will begin adjusting its dated User Rate Benchmarks to address legislative taskforce recommendations and to better align with other common funding sources. OCRA will explore additional adjustments to these benchmarks in future funding years.
- WDW - Combined utility rates for the ongoing operation and maintenance activities of the wastewater, drinking water, and/or stormwater systems.

  - 0 points – Less than $50 combined user rates
  - 10 points – $50-$90 combined user rates
  - 25 points – More than $90 combined user rates

3. Reinstatement of CDBG funding for Stellar Pathways and the Main Street Revitalization Program (MSRP)

4. Program Specific Points will be adjusted for MSRP in accordance with the 2020-2024 Con Plan including:

- Community is designated as a Nationally Accredited Main Street Organization (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 sustainability/fundraising plan in place. (Maximum of 10 points)
- The Main Street Organization has provided proof of philanthropic match for the project (Maximum of 10 pts)
- For streetscape projects:
  - The project has unique design elements or is part of a community branding effort. (Maximum of 10 points)

IHCDA values strong performance of organizations that receive these monies. To ensure this occurs, the agency monitors applicants for compliance on an annual basis. These performance reviews are taken into consideration for future funding levels and opportunities. Moreover, IHCDA has mechanisms throughout the program year to track and review compliance for performance.

In addition to the regular compliance monitoring, the Close-out Monitoring process allows IHCDA to determine if all reporting of initial tenant qualifications, procurement, and draw-downs and claims are completed according to federal regulations and program policies. Applicants with few or no findings can qualify for additional points on future funding applications.

IHCDA policy changes made in response to recent performance and compliance issues include:

- Implementing a policy which allows HOME funds to be granted to CHDOs in three specific other participating jurisdictions, namely Anderson, East Chicago, and Terre Haute.

- Removing the application fee for Homebuyer applicants
- Clarifying definitions of “development gap subsidy” and “direct subsidy”
- Increasing buyer subsidy to $60,000 (below 50% AMI) and $50,000 (above 50% AMI)
- Adding scoring categories for Life Expectancy, for post-purchase counseling, and for inclusion of units with 4+ bedrooms
- IHCDA will also continue to assess public comments on their respective policies and continue to make changes, when appropriate 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 organizations to reduce the length of time people experiencing homelessness stay in shelters. This strategy manifests itself through the uses 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 of Directors.

In 2023, IHCDA and the Indiana Balance of State Continuum of Care engaged a contractor to create a new Coordinated Entry System (CES) assessment process to produce more equitable outcomes and ensure households are served in a more trauma-informed manner, stably housed quickly, and matched with the appropriate housing placement. In addition, IHCDA has also identified an additional contractor to provide an annual evaluation of the CES, which is required by HUD.

The Indiana Balance of State Continuum of Care Strategic Plan 2023-2025 has established an objective to provide guidance, training, and technical assistance to support Regional Planning Councils in order to strengthen internal operations to ensure organizations and people are supported within the homeless response system. Action steps towards fulfilling this objective will require a monitoring schedule of ESG projects to ensure that necessary information is included to meet HUD and CoC requirements and developing consistent metrics to evaluate active participation by HUD-funded programs in Coordinated Entry and Housing First implementation. This allows for continuity across programs policies and procedures, ensuring individuals are tracked throughout their experience in homelessness.

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

1. Introduction

This section describes the consultation efforts undertaken for the 2024 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

In PY2023, OCRA continued its commitment to expanding coordination between private and public social services providers. In December 2023, OCRA staff was invited to present at a meeting hosted by the Inclusion Institute of Indiana on the types of accessibility modifications and home repairs that are included in its OOR program and provided an agency update on OOR program relaunch plans. This engagement led to follow up conversations with other local subject matter experts on best practices to support the effective design of accessible housing modifications needed for the health and safety of rural homeowners in their respective communities.

CDBG and Community Liaison staff also met with representatives from the Indiana CRA Bankers Association (ICRABA). The ICRABA is comprised of members from around the state who are involved with the Community Reinvestment Act. Its purpose is the promotion of 1) key concepts of the Community Reinvestment Act, including lending, investments, services and community development; 2) community development opportunities for low- and moderate-income households and communities, small businesses, and small farms throughout the State of Indiana; and 3) education and networking opportunities for member institutions to help identify community development opportunities consistent with the CRA. OCRA staff shared details on current agency programs and initiatives (owner-occupied rehab program and any others) that are underway. The goal of this collaboration was to help members better understand what can be done in their communities to support these programs for the benefit of low- to moderate-income individuals and geographies throughout the state.

CDBG and Community Liaison staff met with representatives from Star Financial Bank to discuss complementary funding resources available for homeowners with eligible repairs in order to create cross promotion strategies that will allow communities to more holistically leverage all available opportunities. OCRA has also engaged the Governor's Council for People with Disabilities (GCPD) to explore new opportunities for strengthening inclusively across OCRA programming. OCRA staff meet regularly with representatives from GPCD to discuss options and to explore new potential program resources for engaging communities on how to prioritize these efforts.

The Office of Community and Rural Affairs (OCRA) adopted a Strategic Plan for Rural Indiana (effective 2023-2024) to align the unique challenges of the state's rural areas with the agency's programs and place-making efforts. The Strategic Plan for 2023-2024 was developed from feedback gathered by OCRA in 2017 when staff completed a 13-stop listening tour to discuss community and economic development in non-metropolitan communities with regional partners, stakeholders, and constituents across rural Indiana. From these discussions, OCRA's Strategic Plan proposed the following programmatic and policy framework for 2023 and 2024: relaunching the Recovery Housing Program and working with FSSA to develop new partnerships/technical assistance resources for local providers and communities to promote positive program outcomes (based on lessons from 2021); conduct ongoing meetings to address long-term solutions to rural infrastructure planning and development by collaborating with USDA-RD; develop/present collaborative sessions among rural leaders; and improve resources available to OCRA-certified Grant Administrators to enhance community-based knowledge of CDBG procedures (among others).

In 2023, CDBG staff received 105 hours of training on community/economic development; 18 hours of technical assistance training was provided to grant administrators on submitting program income reports; 16 new grant administrators were certified (for a total of 150); and communities received $2.9 million to develop recovery housing through the Recovery Housing Program.

Through a partnership with the Indiana Department of Health, the IHCDA Community Services staff—which oversees the ESG and HOPWA programs—has increased its capacity to make shelter safer for everyone, and to encourage shelters across the state to utilize best practices in disease and outbreak prevention. The project is designed to improve infectious disease emergency preparedness in congregate care settings, specifically shelters and encampments. For this project, IHCDA hired a 3-person team to work regionally with homeless service providers to provide education, training, supplies, and assistance in policy creation to prevent or address an infectious disease emergency should one occur in their area. This team will work closely in collaboration with the CoC to identify sites and regions to target for these supports and provide training that will benefit all CoC members. The team is working to make connections and build relationships between emergency shelters and local health departments and other key health stakeholders such as FQHCs. In addition, a Community Services staff member participates in the quarterly Indiana HIV/STI/Viral Hepatitis Advisory Council.

IHCDA has implemented a second iteration of the IndianaHousingDashboard.com, a website that has curated demographic, economic, educational, housing, and other publicly available statistics for us by local units of government, community development corporations and boards, for-profit and non-profit developers, and other interested parties. These statistics can be viewed on a 10-year time horizon and in comparison between any number of local geographies within the state. The latest version of the Dashboard also provides guidance for public outreach, cooperation with local government, zoning and permitting processes, and much more. The goal of the Dashboard is to empower housing providers and local planning boards to work together on setting goals with solid data behind their decisions.

Ongoing partnerships/involvement in state taskforces with several state and local agencies and key stakeholders include:

- The “Task Force on Rural Affairs” is led by the Lt. Governor with members representing a range of housing and economic interests related to rural communities. Members include state departments/agencies, units of local government, developers, elected officials, economic development professionals, and universities. The task force is responsible for studying the economic and demographic challenges experienced by rural counties in the state (and identifying how these challenges correlate with workforce development).

- The “Intellectual & Developmental Disabilities Task Force” including elected officials, state departments, non-profit organizations, disability rights advocates, consumers of services for people with intellectual or developmental disabilities, employees that provide services to people with disabilities, and family members of people with disabilities. The task force is authorized through 2025.
- The “Mental Health and Substance Abuse Task Force” includes representatives from several state departments/agencies, the Indiana University School of Medicine, Choices Coordinated Care Solutions, and other health and social service organizations. The task force was created to increase access to quality mental health and addiction services for children and families.
- The “Low Barrier Homeless Shelter Task Force” including elected officials, representatives from state and local government departments, and organizations focused on homeless intervention and prevention strategies. The task force was created to determine the building and operation costs of a lower barrier homeless shelter in a consolidated city; and to identify funding sources for shelters and other community based homeless programs.
- The “Housing as Medicine” taskforce that includes representatives from the state’s health department and Medicaid office.
- The “Social Determinants of Health” task force includes representatives from the state’s health department and Medicaid office. 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 Family and Social Services Agency’s Division of Mental Health and Addiction and 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 “Land Use” task force includes elected officials and residents with experience in residential construction; agriculture; business; food and beverage; local economic development; local planning and zoning; and land development or real estate. The task force was created to study development and growth trends in rural, suburban, and urban communities; and other community growth issues.
- IHCDA also manages the CHDO Working Group – of which 8-10 Community Housing Development Organizations meet quarterly to discusses best practices in their implementation of HOME-funded affordable housing projects. IHCDA will be re-engaging the CHDO Working Group in 2024.
- IHCDA has partnered with the State’s Division of Mental Health and Addiction and the Family and Social Service Agency to provide capital HOME funding to support the construction of housing specifically for persons at risk of homelessness who have a Substance Use Disorder or Mental Health Disorder. This relationship will continue while PY2023 funding is still available.

- In cooperation with FSSA Division of Aging, IHCDA is studying anticipated supply and demand of age-restricted housing and services across the state over the next ten years. The study will be available as the PY2024 begins.
- The IHCDA Community Services division entered into a partnership with the Indiana Department of Health on a Homeless Health Infectious Disease initiative, which allowed IHCDA to hire three staff members who will be charged with working with congregate shelters to mitigate infectious diseases and ensure ongoing protocols.

Narrative

IHCDA offers training and webinars to partner organizations on topics ranging from program application requirements to funds management to weatherization courses. IHCDA maintains resources on its website with detailed manuals that instruct its partners on how to develop and administer programs.

IHCDA partnered with the State Department of Health (IDOH) on mitigating the danger of Lead-based Paint through the Healthy Homes Resource Program and coordinates referrals from IDOH caseworkers to assist families who have children with an elevated blood lead level. IHCDA will also be launching the Healthy Homes Weatherization Cooperation Demonstration Grant in 2024, coordinate with a community action agency to braid both healthy homes funding and weatherization funding to assist households who are experiencing issues with mold and moisture intrusion, leading to asthma. As part of this effort, IHCDA has entered into an MOA with IDOH to share data across agencies and to receive referrals.   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. In 2023, IHCDA provided training on Lead-Based Paint to all COC, ESG, and HOPWA recipients to insure they understand and adhere to all related policies and procedures.

IHCDA 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. Through a partnership with FSSA, the Community Services Team will be rolling out TANF funding in June 2024 to current state ESG RRH recipients and ESG Entitlement recipients that will target housing needs for families and pregnant individuals. Later this year, we will be conducting a competitive portion to identify new projects.

IHCDA maintains its leadership role among 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 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. In 2023, a total of 371 households were assisted by the VASH program.

The Continuum of Care continues its work with entitlement cities that receive ESG funds to provided consultation and review project performance. The 2023-2025 CoC Strategic plan modified the terms of service of all board members. Board members (including the ESG representative) serve a 2-year term that can be renewed for another two years. Terms can be renewed three times. This 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.

Finally, IHCDA staff members participate on a number of housing and community related boards and councils where key staff meet on a regular basis to train, plan, and partner. In 2022, IHCDA entered into a formal partnership with the Indiana Department of Education to hire regional navigators who work with McKinney Vento Liaison Coordinators to create a bridge between community and school resources for youth and their families experiencing housing instability. IHCDA staff serve on the following housing and community related boards and groups.

- IHCDA Compliance Working Group
- IHCDA CHDO Working Group
- IHCDA HOME Homebuyer Roundtable
- Main Street Council
- Indianapolis Metropolitan Planning Organization Central Indiana Housing Steering Committee
- Hamilton County Housing Collaborative
- Indiana University Community Advisory Board
- Morgan County Long Term Housing
- Indiana Chapter of Women in Affordable Housing Network
- Urban Land Institute
- National Association of Housing and Redevelopment Officials (NAHRO) Board,
- Youth Justice Oversight Committee,
- Indiana Mental Health and Addiction (IMHA) Planning and Advisory Council,
- Indiana Housing Trust Fund Advisory Committee,
- Family and Social Services Administration (FSSA) Division of Aging workgroup for the Indiana Master Plan on Aging,
- Back Home in Indiana Alliance Steering Committee,
- National Association of Homebuilders Housing Credit Certified Professionals Technical Advisory Board,
- Recovery Supports Workgroup (DMHA/FSSA),
- Indiana Pregnancy Promise Steering Committee (FSSA),
- CoC network for the Balance of State and Marion County,
- Marion County Re-Entry Coalition, and
- Affordable Housing Association of Indiana Board.

Low and Moderate Income resident consultation: Consultation of LMI residents is conducted by interviewing service providers and organizations that work directly with these populations; findings from the Indiana resident housing survey; and resident focus groups. For the PY2024 Action Plan, stakeholders serving persons with disabilities, low income households, residents vulnerable to housing discrimination and homelessness, survivors of domestic violence, and local government and economic development officials participated in interviews to help identify priority needs.

Consultation for the Annual Action Plan included two in-person focus groups with residents in Fort Wayne; one focus group with survivors of domestic violence in March 2024; and a statewide resident housing survey available between January 2024 and February 2024. A total of 2,620 residents responded to the survey—over half (52%) of which have household incomes below $50,000 per year.

Public Housing Authority consultation: IHCDA acts as the statewide housing authority for areas not otherwise covered in Indiana. IHCDA administers the Section 8 housing voucher program for the balance of state. IHCDA was an active participant in drafting the 2024 Action Plan through review, edits, input, and public hearings. Interviews were held with local public housing authorities in February and March 2024 to discuss the Annual Action Plan, PHAs were invited to distribute the resident housing survey to public housing residents.

IHCDA's Director of Housing Choice Programs is on the NAHRO Board (the association of all PHAs in Indiana), so she is able to communicate updates and feedback between IHCDA and NAHRO.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals with descriptions that exceeded the IDIS character limit (4,000) are provided in the table below.

2	**Goal Name**	Support Community Revitalization

	Goal Description	OCRA will allocate $1,500,000 of its FY 2024 CDBG funds for the Blight Clearance Program (BCP) 2.0. BCP 3.0 is currently under evaluation while OCRA determines the feasibility of expanding the program in the future to include residential properties. Applications will be accepted in rounds, and awards will be made on a competitive basis. OCRA will award grants to applications that meet the criteria outlined in Attachments C and D hereto. 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 this program. OCRA will allocate $2,500,000 of its FY 2024 CDBG funds for the Public Facilities Program (PFP) 2.0. 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 Attachments C and D hereto. The PFP shall have a maximum grant amount of $750,000. 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 this program. OCRA will allocate $0 of its FY 2024 CDBG funds for PreservINg Main Street. PreservINg Main Street will assist one (1) Nationally Accredited Main Street (NAMS) or Indiana Accredited Main Street (IAMS) community with historic preservation and economic revitalization efforts over a two (2) year period. Applications from NAMS and IAMS communities with registered downtown historic districts will be accepted in a single round every other program year and awards will be made on a competitive basis. The selected community will be eligible for $2,000,000 in set aside funds to implement downtown preservation projects based on a two-year preservation and revitalization strategy for their downtown historic district. The Main Street organization, along with the community foundation and LUG, will be responsible for raising a 10% match ($200,000) for the project, which could include a mix of private and local funds. The total match must be raised before the end of the 2-year pilot. Of that 10%: • 50% will be put in a permanent endowment/revolving loan fund for downtown projects 50% will be supplied to the Main Street organization for long-term sustainability. For example, this could be used for two years of funding a staff position and thus elevating an IAMS community to a NAMS within that two years

		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. OCRA will allocate $2,000,000 of its FY 2024 funds to the Main Street Revitalization Program (MSRP) OCRA will award MSRP grants to eligible applicants to assist Indiana communities with streetscape 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 an Indiana Accredited Main Street 2) The Main Street Organization is in good standing and has met all the reporting requirements; 3) The Main Street Organization has met their education requirement 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 and Nationally Accredited Main Streets are using a Transformation Strategy. 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 local 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 based on the total project cost as shown in the matrix below. The amount of CDBG funds granted will be limited to $5,000 cost per project beneficiary. Projects over $2 million in total project cost $600,000 Projects under $2 million in total project cost $500,000

Matching funds of at least 20% of the total project cost are required for all program applicants.

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 de-obligation or repayment of CDBG funds is possible.

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.

OCRA will allocate $4,000,000 of its FY 2024 funds to the Stellar Pathways Program. Funds will be allocated to designees in the Action Plan for the fiscal year an application is anticipated from each active designee. Here is a breakdown of the Stellar allocation for FY 2024, 2025, and projected allocation for FY2026. Stellar will only be announced every other year.

The Stellar Pathways Program seeks to engage four (4) regions to achieve a holistic, three-year revitalization strategy that will leverage unified state investment and other available funding from the partnering agencies to complete transformational projects. In the revitalization strategy, selected finalists will identify areas of interest and types of projects along four pathways (Advancing e-Connectivity, Enhancing Quality of Place, Promoting Community Wellness, and Strengthening Local Economies) following robust community outreach and engagement and through facilitated, pathway-specific focus groups. The resultant Strategic Investment Plan (SIP) will produce a schedule to complete projects, cost estimates, identify local match amounts and additional funding resources needed, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the region. Each partnering agency will choose catalyst projects to fund from each SIP, setting communities along a path to become Stellar upon completion of all selected projects.

Evaluation and selection of the final regions to the Stellar Pathways Program will be based on:

- Letter of Intent submitted
- Completion of all outlined requirements of the Stellar Pathway Finalist designation.
- Document the level of need and significance of each project in overall community revitalization efforts.
- Capacity of the applicant to complete all activities and to administer the funds;

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.

AP-25 Allocation Priorities – 91.320(d)

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

IHCDA's method of distribution continues to target the various housing and homelessness priorities identified in the Consolidated Plan. IHCDA targets low- and very low-income persons through its HOME Rental Program and Tenant Based Rental Assistance (TBRA) Program. The TBRA Program helps income-eligible households with rent, security deposits, and utility deposits, with specific attention towards low-income households with at least one member who is formerly incarcerated or who is exiting the corrections system without secure, stable housing. IHCDA also has higher subsidy limitations on HOME rental projects for units which target households at or below 50% AMI. IHCDA also awards competitive points through this policy for projects which have 20% of the units targeting 30% or 40% AMI households.

IHCDA will continue to set aside funding for the HOME Homebuyer Program and will continue to provide technical assistance to those organizations interested in participating. IHCDA has continued to streamline the application process for those who wish to apply under this program. IHCDA will also continue to work with the State Habitat for Humanity Office to provide technical assistance on the program. IHCDA will be piloting a lease-purchase program in PY24 to continue to build the pipeline of homebuyer properties.

To meet the priority need of supporting comprehensive community development, IHCDA will maintain its training schedule and will work alongside OCRA on the relaunch of the Stellar Program. The Stellar Program has been re-evaluated and was relaunched in 2024 with applications due in May 2024, with projects to be funded with PY2025 allocations.

In FY 2024, CDBG funds will be prioritized for basic health and safety improvements—specifically water and sewer infrastructure investments, public facilities, and clearance of blighted commercial and industrial sites—in rural areas that do not have the financial capacity or resources to make such critical improvements. Nearly half of the distribution of CDBG is typically allocated for these priority needs that help to address gaps in public infrastructure and services that arise as the needs of residents' change. The balance will address priority needs related to aging housing stock, economic growth and revitalization of rural communities with the goals identified in the Consolidated Plan through programs such as:

Stellar Pathways - The Stellar Pathways Program will be relaunched in FY 2024. Combining OCRA and IHCDA's experience with Stellar Communities, Regional Stellar, and the Hoosier Enduring Legacy, Stellar Pathways will elevate how regional planning occurs while partnering with universities and agency leadership in their community & economic development efforts. Stellar Pathways will guide regions to think innovatively and to take a holistic approach aligning identified needs and existing assets across four pathways. Regions will select projects within the Pathways following robust community outreach and engagement and through facilitated, pathway-specific focus groups. All finalists will develop Strategic Investment Plans that responds to the Region's identified needs.

Main Street Revitalization Program - The goal of this grant is to encourage communities with eligible populations to focus on long-term community development efforts. This can take the form of business creation, increased tourism, historic preservation, and other economic revitalization efforts catalyzed by innovative streetscape improvements in downtown commercial Indiana Main Street Districts.

Owner Occupied Rehabilitation (OOR) - OCRA recognizes that the effective management and administration of the (OOR) program is a significant effort at both the state and local level. As the needs of our rural communities continue to grow, the advantages of housing made available through the rehabilitation of existing homes seem evident based on public comment received. OCRA is also aware that numerous challenges exist which can impede the successful administration of this activity in accordance with all applicable federal requirements. For example, locally, there can be a great deal of variation from project to project and from community to community. Existing homes across the state differ in condition, age, etc. which can make the rehabilitation process far less predictable. Smaller rural communities with limited administrative capacity must often rely on regional partnerships, and/or other non-profits that act as sub-recipients for the OOR program because of the expense and complexity of the monitoring and oversight requirements. Challenges related to these requirements have become increasingly prevalent since the COVID-19 public health crisis and the resultant economic recession. The Office of Community and Rural Affairs (OCRA) recognizes the role of the OOR program in meeting the state's affordable housing needs and prioritized funding in FY 2024 to encourage continued use of the OOR program in rural communities to benefit aging and disabled residents.

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

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

Introduction:

Barriers to addressing affordable housing needs that have been identified in the housing analysis from the Consolidated Plan and 2024 Analysis of Impediments to Fair Housing Choice (AI) include:

- Poor condition of affordable housing stock according to residents and stakeholders due to residents' inability make needed improvements (due to low incomes) and difficulty obtaining private sector loans to complete needed improvements.
- Disproportionately high levels of cost burden and lower homeownership rates for minority populations due to historically low incomes, high mortgage denial rates, and lack of affordable/ publicly subsidized housing to meet their needs. Cost burden gaps are greatest for minority residents earning between 30 and 50 percent AMI—those just over the poverty level. Homeownership rates are lowest for Black or African American residents.
- High mortgage loan denial rates for non-White residents, even when adjusting for income level.
- Minority residents, residents with disabilities, single parents, and low income households are more likely to express challenges buying a home because they cannot save enough money for a down payment and/or meet mortgage loan qualifications.
- 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. Around one in five (21%) of residents live in a home or apartment that does not meet their family's disability needs. The most needed accessibility improvements are grab bars in bathrooms, ramps, and wider doorways.
- High rates of eviction due to non-payment of rent for Black/African Americans, households with children, single parents, and large households. Rent increases among persons with a disability, extremely low to moderate income households, and minority residents.
- Landlords not accepting service animals and charging higher rents or deposits for persons with disabilities requesting reasonable accommodations.
- Landlords not renting to families with children and charging higher rents or deposits for families with children.
- Limited housing opportunities for survivors of domestic violence/human trafficking according to residents and service providers. Housing choice is restricted for this population due to rental application requirements (e.g., credit scores, background checks), lack of affordable rental housing, and discriminatory housing practices.

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. Almost all residents with a disability in the state have incomes below the federal poverty line.

- 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.
- Limited economic mobility for racial/ethnic minorities and special needs households (e.g., saving a certain amount of money each month for emergencies and goals such as education, homeownership, gifts, or vacations).

The factors contributing to these issues are:

- Economic weaknesses in some non-entitlement areas preventing residents from making needed repairs.
- Lack of affordable and 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 and the Violence Against Women Act (VAWA).
- Insufficient resources to fund ADA improvements to public buildings and infrastructure, particularly in rural areas.

The IndianaHousingDashboard.com is up and running, providing a wide range of data for community organizations and housing planners around the state. IHCDA is working to develop the second iteration of the dashboard which will provide additional sets of data with the granularity of census tracts, all with additional tools for market needs analysis and additional resources for funding and planning.

Also, in its 2023-2024 QAP, IHCDA will require all developments in the housing tax credit program to create an Affirmative Fair Housing Marketing Plan (AFHMP) using HUD Form 935.2A. This requirement will affect nearly all rental developments assisted with HOME Funds and HTF.

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

The state will continue the Neighborhood Assistance Program which provides tax credits for nonprofit organizations to leverage contributions for neighborhood programs and projects that benefit economically disadvantaged areas and persons. Projects eligible for tax credits under the program include: affordable housing; counseling services; child care; education assistance; emergency assistance; job training; medical care; recreational facilities; downtown rehabilitation activities; and neighborhood revitalization activities. Tax credits are awarded in the amount of $40,000 per organization.

In early 2024, IHCDA hosted a technical assistance webinar to answer general questions about HOME Rental Construction application forms for developers. The webinar also aims to educate applicants about IHCDA's goal of funding housing for low-income people that are accessible, energy-efficient, and include MBE, WBE, Federal Disadvantaged Business Enterprise (DBE), VOSB, and/ or SDVOSB contractors and team members. IHCDA will also allow for CHDOs to apply for HOME funding if their project is located within a PJ who receives less than $500,000 of HOME if the PJ also commits HOME funding to the project; this policy can assist with financing HOME projects which otherwise may have significant financial gaps in markets in which a larger LIHTC project may not be feasible, or in which there is not a market.

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: Grow American (formerly known as 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. IHCDA will continue these trainings in PY 2024. Through 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.

In early 2023, IHCDA's compliance team offered a free webinar training for owner and management agents that need to complete the 2022 Annual Owner Certification of Compliance. The training focused on how payments can be completed in the IHCDA online payment portal, adding units and utility allowances, recertification, and other related topics. In 2023, IHCDA, in partnership with TDA consulting and HUD's CHDO Technical Assistance Provider, provided a 17-week training series on Community Housing Development Organization (CHDO) regulations and non-profit management best practices. The training includes presentations and assignments for participants aimed to improve project management.

IHCDA maintains its commitment to funding Tenant Based Rental Assistance. IHCDA designed its TBRA program to improve the range of housing options for income qualified formerly incarcerated individuals. Under IHCDA's TBRA Program, IHCDA may provide security deposits, utility deposit assistance, or rental assistance.

A separate and distinct program offered by IHCDA is the RampUp Program. RampUp provides grants to nonprofits to install exterior ramps to homes (up to $5,000 per home) to improve accessibility for those Hoosiers with mobility and movement challenges. This program can assist any household with a member who is under six years of age, who is over 62 years of age, or who has a disability. Other limited repairs and modifications can be done to improve access, including the widening of doorways and the minimization of thresholds.

In 2023, IHCDA and the Indiana Balance of State Continuum of Care engaged a contractor to create a new Coordinated Entry System (CES) assessment process to produce more equitable outcomes and ensure households are served in a more trauma-informed manner, stably housed quickly, and matched with the appropriate housing placement. In addition, IHCDA has also identified an additional contractor to provide an annual evaluation of the CES, which is required by HUD.

In 2023, IHCDA completed a study for the Indiana General Assembly on the feasibility of continued development of affordable assisted living facilities. The study provided information about demographic characteristics including percentage of the population in older age brackets, the percentage of people living with a disability, and the percentage living in areas with great housing needs. In part, the study highlighted the challenges of developing affordable assisted living in small towns and in counties where density is extremely low.

In 2023, IHCDA and the Family and Social Services Administration – Division of Aging commissioned a study on the current and future state of age-restricted housing across all regions of the state. This study, which is due to be delivered in May 2024, will illuminate the anticipated need for additional funding for owner-occupied repairs and additional development of age-restricted housing units.

Included in the study are considerations for services being offered to seniors and other individuals living with a disability to be covered by Medicaid waivers.

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.

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

1. Meeting the housing needs of a specific community;
2. Reaching households with low and very low-income levels of income;
3. Linking projects to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
4. Advancing projects that promote aging-in-place strategies for seniors, persons with disabilities, and families with seniors or persons with disabilities;
5. Completing 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

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.

IHCDA has also updated its housing counseling requirements for HOME Homebuyer applicants.

The HOME regulations at 92.254(a)(3) require all homebuyers who receive HOME assistance or purchase units developed 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:

- o Intake
- o Financial and housing affordability analysis
- o An Action Plan
- o Reasonable effort to have follow 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:

- o The decision to purchase a home;
- o The selection and purchase of a home;
- o Issues arising during and affecting the period of ownership of a home (including refinancing, default, and foreclosure and other financial decisions);
- o 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 more than just providing basic housing information, placement or referral services.

IHCDA offers pre-purchase and post-purchase counseling as eligible under this policy. The delivery method may be flexible (in-person, by phone or via the internet), but the counseling must be specific to the homebuyer. Counselors at a minimum must provide eight hours of training; at least six hours must be pre-purchase. Certificates are 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.

Actions planned to reduce lead-based paint hazards

Utilize the Healthy Homes Resource Program

IHCDA received awards of $2 million from the Healthy Homes Production Program,$4.7 million from the Lead Hazard Reduction Program and $1 million from the Healthy Homes Weatherization Cooperation Demonstration Grant Program . Using these three awards, IHCDA established the "Healthy Homes Resource Program" (HHRP) to provide services and programs directly related to health hazards and lead paint in the home. The program is offered by IHCDA statewide and provides repairs to both owner-occupied and rental housing for critical repairs to health hazards, including Lead Paint Hazard control, Radon Mitigation, Moisture Intrusion, Mold, Structural Issues and Accessibly Barriers. The program also includes cooperative efforts with the Indiana Community Action Agencies.

Healthy Homes Production Grant funding is exclusively for direct costs associated with the identification and remediation of housing related health and safety hazards). Those costs allowable with the Healthy Homes Supplemental funding include costs for the assessment of housing units, for housing-related health and safety hazards, development of scopes of work for remediation of identified housing-related health hazards, conducting such remediation, re-evaluation of the completed work, reporting, notification to occupants and owners, if different, of the nature and results of the remediation.

The Healthy Homes inspection process is a risk-based assessment and will consider the effects on occupants' health. This assessment will be incorporated into the initial lead hazard risk assessment to minimize disruption to the occupants. The top six weatherization deferments include mold, structural issues, roof leaking, standing water, access issues, and electrical.

From the list of 29 hazards in the Healthy Homes rating chart, IHCDA has determined the following hazards, in order of priority, to be addressed based on funding:

- Radon
- Moisture Intrusion
- Electrical Hazards
- Access issues
- Structural issues
- Lead Based Paint

IHCDA's Lead Hazard Reduction Grant is also available to owner-occupied and rental households statewide. The program can be used to address lead paint hazards, targeting households with children under the age of six, with priority for those families in which a child has an elevated blood lead level. Lead-based paint hazards will also be addressed through HOME funded rehabilitation activities. IHCDA developed new lead program application forms and has provided multiple trainings on how to address lead-based paint through both of these programs in partnership with HUD.

The Healthy Homes Weatherization Cooperation Demonstration Program (HHWCD) will target households who have been deferred from the Weatherization Program due to needed repairs to address health hazards. Through this new pilot, IHCDA will be able to braid three funding sources together (HHP, HHWCD and Weatherization Funds) to holistically address needed repairs. IHCDA will be piloting this program in Marion County.

IHCDA will continue to offer workshops 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.

IHCDA keeps a database of lead-free housing for rental units which undergo lead hazard control through HHP.

As part of the Healthy Homes Resource Program, and in cooperation with the Department of Health, 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/ihcda/homeowners-and-renters/lead-protection-program/.

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 PY2024, 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. OCRA regularly presents and attends conferences hosted by AIM, Association of Indiana Counties (AIC), the American Council of Engineering Companies and IARC as well.

OCRA holds regular "listening sessions" in non-entitlement 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 Allocation 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, via virtual meetings, and in-person when requested. Production Analysts also traditionally attend ribbon cutting ceremonies, groundbreakings, and other promotional events.

IHCDA Analysts conduct one-on-one outreach meetings throughout the year. Partners can request meetings to get specific information or technical assistance on IHCDA programs. The information provided at these meetings is tailored to address the specific needs of the partner organization. Analysts and other IHCDA staff utilize their existing contacts to initiate meeting offers to current and potential partners. Outreach meetings provide an opportunity for partners to meet their analysts as well as to ask questions and to provide input and feedback on IHCDA policy.

IHCDA also sponsors, in partnership with the Indiana Affordable Housing Council, 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.

In 2023, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The 2024 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year's Institute developments will be eligible for HOME Investment Partnerships Program (HOME) funds for a total of up to $500,000 dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2024 Institute provides targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Trainings and technical assistance focus on designing supportive housing for those referred from the Coordinated Entry System. Teams receive individualized technical assistance and resources to assist in completing their project. Industry experts, including staff from the IHCDA, provide insight on property management, financing, and building design.

IHCDA continues to partner with the Indiana Department of Heath on its Healthy Homes Resource Program. IHCDA has started the Indiana Healthy Homes Roundtable which meets monthly to discuss lead-based paint issues throughout the state. The group consists of IHCDA and ISDH. IHCDA has established a strong relationship with the Family and Social Services Administration (FSSA) to assess affordable assisted living supply, along with production of housing for persons with intellectual or developmental disabilities, or persons who have a chemical addiction.

IHCDA will continue to foster partnerships with organizations providing eviction and legal services to residents across the state. As an example, IHCDA continues to partner with the Indiana Community Action Association and the Indiana Bar Foundation to improve eviction and legal services. From the findings and recommendations included in the Eviction Task Force's final report, IHCDA appropriated funding to both organizations for improved and expanded housing navigation, eviction prevention, and mediation services. Funding was also provided for the installation of kiosks in libraries, courthouses, and other public spaces.

APPENDIX A.

METHODS OF DISTRIBUTION AND FUNDING APPLICATIONS

CDBG.

METHOD OF DISTRIBUTION

STATE OF INDIANA

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

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS FY 2024 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 2024. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2024 is $30,738,746.00.**

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 applicant's 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 2024 FUND DISTRIBUTION

Sources of Funds:

FY 2024 CDBG Allocation	**$30,738,746.00.**
CDBG Program Income	$0
Total:	**$30,738,746.00.**

Uses of Funds:

1. Owner Occupied Rehabilitation	$ 3,000,000
2. Stellar Pathways Program	$ 4,000,000
3. Blight Clearance Program	$ 1,500,000
4. Main Street Revitalization Program	$ 2,000,000
5. Public Facilities Program	$ 2,500,000
6. Wastewater Drinking Water	$12,500,000
7. Stormwater Improvements Program	$ 3,500,000
8. PreservINg MainStreet	$ 0
9. Needs Responsive Fund	$ 0
10. Urgent Need Fund	$ 0
11. Planning Fund	$ 1,000,000
12. Technical Assistance	$ 200,000
13. Administration	$ 538,746
Total:	**$30,738,746.00.**

PROGRAM INCOME POLICY

The State of Indiana via the Office of Community and Rural Affairs (OCRA) does not project receipt of CDBG program income for the period covered by this Annual Action Plan. In the event the Office of Community and Rural Affairs (OCRA) receives CDBG Program Income, such funds will be placed in an existing program based on current needs, as determined by OCRA, to make additional grants under that program. Reversions of other years' funding will also 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 IHCDA by OCRA.

2. In accordance with 24 CFR 570.489(e)(2), program income does not cover funds generated by grantees and/or subrecipients from CDBG grants awarded by OCRA that are $35,000 or less during a calendar year. In such cases, OCRA may allow local governments to keep the funding that doesn't exceed the $35,000 threshold established by this policy.

3. This prior-use policy shall not apply to program income generated by locally administered revolving loan funds to carry out specific activities. Grantees are not required to use the

program income generated before drawing down grant funds awarded by OCRA for a different CDBG funded activity. However, program income in the revolving loan fund must be used before drawing down additional grant funds for other revolving fund activities in accordance with 24 CFR 570.489(f).

4. Any interest earned, above the threshold in accordance 24 CFR 570.489(e)(2)(iv)(C), on a deposit of CDBG grant funds before disbursement of those funds for an eligible CDBG activity will be considered CDBG program income by OCRA. Interest earned should subsequently be used as a credit toward additional claims submitted, reducing the payment of a future claim by the amount of interest earned.

Program Income Generated by a Units of General Local Government

Program income generated by grantees and/or subrecipients from CDBG grants awarded by OCRA must be returned to OCRA if such amounts are equal to or greater than $35,000 per calendar year according to 24 CFR 570.489.

In accordance with 24 CFR 570.489(e)(2), program income does not cover funds that are $35,000 or less during a program year. In such cases, OCRA may allow local governments to keep the funding that doesn't exceed $35,000.

If a local government or its subrecipients receive program income, it must be reported to OCRA annually if it equals or exceeds $35,000 per calendar year. This income retains its CDBG federal identity in accordance with 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 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 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.

Revolving Loan Fund (RLF) Program Income by a Units of General Local Government

If OCRA permits Units of General Local Government to establish locally administered revolving loan funds to carry out specific activities in accordance with 24 CFR 570.489 (f), program income generated by the RLF shall refer to the repayment of CDBG funds received by borrowers including principal and any interest earned without regard to the amount collected.

Local revolving fund balances must be held in an interest-bearing account in accordance with 24 CFR 570.500(b).

Program income collected by Grantees should only be maintained in a local revolving loan fund account for a short period of time before they are awarded back out to new local applicants. Units of General Local Government must ensure any RLF funds held are revolved in order for the account to be considered active by OCRA in accordance with 24 CFR 570.489(f).

It is OCRA's policy that grantees with local revolving loan funds must report on any program income earned and the RLF's activity on a quarterly basis. This report should be governed by guidelines provided by OCRA to its grantees in order to ensure the timely and proper reporting of any RLF program income generated.

Local governments who do not forgive loans issued as part of a CDBG funded RLF program will continue to generate program income and must continue to report on in perpetuity on each loan made until all payments have been paid in-full, forgiven, or written off.

At closeout of a HUD funded award including, but not limited to, CDBG, CDBG Disaster Recovery (CDBG_DR), CDBG Cares Act (CDBG CV), and the Neighborhood Stabilization Program (NSP), program income on hand or subsequently received by a grantee or subrecipient generated by that award may become program income of OCRA's CDBG formula grant program. Grantees may transfer any amount of program income collected to OCRA. Program income generated by a grantee or its subrecipients that is transferred to OCRA continues to be subject to all CDBG requirements as outlined in 24 CFR 570.504(b)(3), even after closeout is achieved, until all program income is fully expended.

The transfer of program income generated by other HUD funded awards must comply with CPD 14- 02: Closeout Instructions for Community Development Block Grant (CDBG) Programs Grant.
OCRA will assess the best use of any program income transferred to CDBG based current needs and any applicable HUD guidance. Grantees must maintain an inventory of acquired real property and equipment and must properly report any new program income generated as instructed by HUD.

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.

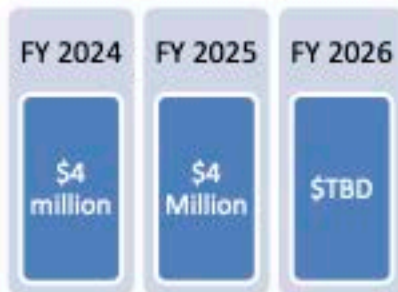
All projects/activities funded by the OCRA will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will be distributed according to the following Method of Distribution (program descriptions):

A. Owner Occupied Rehabilitation Program: $3,000,000

OCRA will allocate $3,000,000 of its FY 2024 funds for OOR. OCRA will award such grants that meet the minimum scoring criteria outlined in Attachments C and D on a quarterly basis. The OOR program shall have a maximum grant amount of $250,000. Matching funds of at least 10% of the total project cost are required for all this program.

B. Stellar Pathways Program: $ 4,000,000

OCRA will allocate $4,000,000 of its FY 2024 CDBG funds for Stellar Pathways. Funds will be allocated to designees in the Action Plan for the fiscal year an application is anticipated from each active designee. Here is a breakdown of the Stellar allocation for FY 2024, 2025, and projected allocation for FY 2026:



Indiana's Stellar Pathways Program is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Housing and Community Development Authority (IHCDA), Indiana State Department of Agriculture (ISDA), Indiana Destination Development Corporation (IDDC), Indiana Department of Health (IDOH), Indiana Department of Natural Resources (DNR), and the Indiana Department of Transportation (INDOT).

The Stellar Pathways Program seeks to engage four (4) regions to achieve a holistic, three-year revitalization strategy that will leverage unified state investment and other available funding from the partnering agencies to complete transformational projects. In the revitalization strategy, selected finalists will identify areas of interest and types of projects along four pathways (Advancing e-Connectivity, Enhancing Quality of Place, Promoting Community Wellness, and Strengthening Local Economies) following robust community outreach and engagement and through facilitated, pathway-specific focus groups. The resultant Strategic Investment Plan (SIP) will produce a schedule to complete projects, cost estimates, identify local match amounts and additional funding resources needed, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the region. Each partnering agency will choose catalyst projects to fund from each SIP, setting communities along a path to become Stellar upon completion of all selected projects.

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Evaluation and selection of the final regions to the Stellar Pathways Program will be based on:

- Letter of Intent submitted
- Completion of all outlined requirements of the Stellar Pathway Finalist designation.
- Document the level of need and significance of each project in overall community revitalization efforts.
- Capacity of the applicant to complete all activities and to administer the funds;

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: $1,500,000

OCRA will allocate $1,500,000 of its FY 2024 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 competitive 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.

D. Main Street Revitalization Program: $2,000,000

OCRA will allocate $2,000,000 of its FY 2024 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 an Indiana Accredited 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 met their education requirement 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 and Nationally Accredited Main Streets are using a Transformation Strategy.

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 local 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 based on the total project cost as shown in the matrix below. The amount of CDBG funds granted will be limited to $5,000 cost per project beneficiary.

Projects over $2 million in total project cost	$600,000
Projects under $2 million in total project cost	$500,000

Matching funds of at least 20% for streetscape project of the total project cost are required for all this program.

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 de-obligation or repayment of CDBG funds is possible.

E. Public Facilities Program: $2,500,000

OCRA will allocate $2,500,000 of its FY 2024 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 $750,000. 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.

F. Wastewater Drinking Water: $ 12,500,000
OCRA will allocate $12,500,000 of its FY 2024 CDBG funds for the Wastewater Drinking Water (WDW).

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. WDW 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 $50)	**User Rates ($30 to $50)**	**User Rates (Under $30)**
Projects over $1 million in total project cost	$750,000	$700,000	$650,000
Projects under $1 million in total project cost	$700,000	$650,000	$600,000

E. Stormwater Improvements Program: $3,500,000

OCRA will allocate $3,500,000 of its FY 2024 CDBG funds for the Stormwater Improvements Program (SIP).

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 SIP shall have a maximum grant amount of $750,000. 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.

F. PreservINg Main Street: $0

PreservINg Main Street will assist one (1) Nationally Accredited Main Street (NAMS) or Indiana Accredited Main Street (IAMS) community with historic preservation and economic revitalization efforts over a two (2) year period.

Applications from NAMS and IAMS communities with registered downtown historic districts will be accepted in a single round every other program year and awards will be made on a competitive basis. The selected community will be eligible for $0 in set aside funds to implement downtown preservation projects based on a two-year preservation and revitalization strategy for their downtown historic district.

The Main Street organization, along with the community foundation and LUG, will be responsible for raising a 10% match ($200,000) for the project, which could include a mix of private and local funds. The total match must be raised before the end of the 2-year pilot.

Of that 10%:

- 50% will be put in a permanent endowment/revolving loan fund for downtown projects
- 50% will be supplied to the Main Street organization for long-term sustainability.
  For example, this could be used for two years of funding a staff position and thus elevating an IAMS community to a NAMS within that two years

Additionally, Indiana Landmarks will work with the Main Street organization and local building owners to provide training and conditions assessments for preservation projects in downtown. The LUG will develop and adopt a local preservation ordinance, lead the formation of a local preservation commission, and pursue designation of a downtown local historic district within the first 18 months.

The Main Street organization will also implement two humanities-based programs and activities focused on historic preservation using Indiana Humanities funding distributed in two tranches. The selected Main Street organization will also attend trainings provided by Indiana Humanities.

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.

G. Needs Responsive Fund: $0

OCRA will allocate $0 of its FY 2024 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.

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: $ 1,000,000

OCRA will allocate $1,000,000 of its FY2024 CDBG funds for planning-only activities. OCRA 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 Attachments C and D on a quarterly basis. The Planning Grant program shall have a maximum grant amount of $90,000. 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 2024 Action Plan is $200,000, which constitutes less than one-percent (1%) of the State's FY 2024 CDBG allocation of $30,738,746. 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: $538,746

The State (Office of Community and Rural Affairs) will set aside up to $538,746 of its FY 2024 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount ($589,752) constitutes less than two-percent (2%) of the State's CDBG allocation ($**30,738,746**). The amount of $538,746 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 with 2024 Round 2, unless subsequently amended, for all FY 2024 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 and Owner-Occupied Rehabilitation (OOR) applications are accepted on a quarterly basis. Eligible units of local governments should first contact their regional Community Liaison to discuss their interest in a planning or OOR grant. Then, an initial application can be submitted for scoring.

Stellar Pathways Program is a single competitive application process. Interested applicants submit a Letter of Intent from which up to four (4) 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 Strategic Investment Plan (SIP). Each finalist must complete an SIP. The Stellar Teams will review completed plans for Catalyst Projects. Each agency then allocates funding to projects within the SIP based on alignment with the requirements of each funding source and will work collaboratively to have fundable projects for each community identified as a finalist.

PreservINg Main Street is a single competitive application process held every other year. Interested applicants submit a Letter of Intent from which up to one (1) will be selected to participate by OCRA the partnering organizations.

The application process for the Blight Clearance Program (BCP), Public Facilities Program (PFP), Stormwater Improvements Program (SIP), the Main Street Revitalization Program (MSRP), and the Wastewater Drinking Water (WDW) 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, Stormwater Improvement Program, Wastewater Drinking Water, 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):

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.

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, 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, 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, or BCP 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 (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.

[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.

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.

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. OCRA 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:

Poverty Rate
Median Household Income
Unemployment Rate
Non-seasonal Housing Vacancy Rate
Housing Cost Burden
Population Change (10-year % Change)

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (75 POINTS):
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 approximately 1-2 weeks prior to application submission (date of deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):
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. **Applicants should refer to the application packet, scoring guide and other resources to address all questions present.** 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.

PROGRAM SPECIFIC POINTS (50 POINTS):
Blight Clearance Program (BCP)

- **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.

Owner Occupied Rehabilitation (OOR)

- **Targeted Populations**: A maximum of 25 points will be awarded to applicants whose program design parameters prioritize funding assistance to households that belong to at least one of the targeted population groups listed below.

  - 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 by HUD.
  - Aging in Place Households with at least one elderly individual, as defined by HUD Glossary, living in the home. Repairs made to the home must address accessibility and/or livability.
  - Veterans Households with at least one veteran individual, as defined in HUD, living in the home.
  - Single Parent Head of Household Households with a single parent, grandparent, or guardian head of household.

Household(s) must be the primary residence for qualifying individual(s). Individuals or households that meet the criteria for two or more categories (i.e. 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 in which they qualify.

- **New Administrator Experience:** A maximum of 25 points will be awarded to applicants who are working with administering entities who can demonstrate prior experience in construction management, rehabilitation of built structures, and/or prior CDBG OOR experience through a different funding agency. Applicants must provide a written narrative explaining previous relevant experience and a third-party reference of experience in the above-mentioned fields to receive these points.

    - Less than 3 years – 10 Points
    - Between 3 to 5 years – 15 points
    - Greater than 5 years – 25 Points

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 previous 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 to the project (match) 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)
- Documentation of active and continued involvement in the application and project by the Main Street organization (10 points)
- The Main Street Organization has a sustainability/fundraising plan in place. (Maximum of 10 points)
- The Main Street Organization has provided proof of philanthropic match for the project (Maximum of 10 pts)
- For streetscape projects:
    - The project has unique design elements or is part of a community branding effort. (Maximum of 10 points)

Wastewater Drinking Water (WDW)

- **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)
- **Green Infrastructure** – A maximum of 15 points for the inclusion of green infrastructure elements in the project. (Maximum of 15 points)
- **Project Sustainability** - A maximum of 25 points for the establishment of, or documentation of existing combined utility rate for the ongoing operation and maintenance activities of the wastewater and drinking water systems.

  0 points – Less than $50 combined user rates
  10 points – $50-$90 combined user rates
  25 points – More than $90 combined user rates

Stormwater Improvement Program (SIP)

- **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)
- **Green Infrastructure** – A maximum of 15 points for the inclusion of green infrastructure elements in the project. (Maximum of 15 points)
- **Project Sustainability** - A maximum of 25 points for the establishment of, or documentation of an existing stormwater utility rate for the ongoing operation and maintenance activities of the storm system.

  0 points – under $3 monthly Stormwater utility user rate
  10 points – $3-$5 monthly stormwater utility user rate
  25 points – $5 or higher monthly stormwater utility user rate

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 Manager approximately two weeks before application submission (deadline will be announced each round).

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, *except OOR*, 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 50 pts. In 2021 they would have no point reduction.

***For OCRA funded OOR projects, eligible communities may reapply to receive additional OOR funding after all prior OOR grants awarded to them by OCRA have achieved closeout.**

CITIZEN PARTICIPATION PLAN

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (STATE) The Citizen Participation Plan (CPP) herein is the CPP established for the State of Indiana's Five Year Consolidated Plan for Housing and Community Development, covering program years 2020-2024. The CPP was developed around a central concept that acknowledges residents as stakeholders and their input as key to any improvements in the quality of life for the residents who live in a community.

Each program year affords Indiana residents an opportunity to be involved in the process. Citizens have a role in the development of the Consolidated Plan, annual Action Plans, and Consolidated Annual Performance and Evaluation Reports regardless of age, gender/sex, race, ethnicity, national origin, disability, familial status, religion, and economic level.

Purpose of the Citizen Participation Plan

The Citizen Participation Plan (CPP) describes the process the state uses to collect public input and involve the public in development of the Five Year Consolidated Plan. The CPP also addresses how the state obtains public comment on its Annual Action Plan and Consolidated Annual Performance and Evaluation Report (CAPER). This CPP was developed in accordance with Sections 91.110 and 91.115 of HUD's Consolidated Plan regulations.
The purpose of the CPP is to provide citizens of the State of Indiana residents residing in communities eligible to receive housing and community development funds from the state maximum involvement in identifying and prioritizing housing and community development needs in the state, and responding to how the state intends to address such needs through allocation of the following federal grants:

- Community Development Block Grant (CDBG);
- HOME Investment Partnerships Program funding (HOME);
- Emergency Solutions Grant (ESG);
- Housing Opportunity for Persons with AIDS (HOPWA) funding; and
- National Housing Trust Fund (NHTF) funding.

This Consolidated Plan typically covers a five-year timeframe. The state's Consolidated Plan is a comprehensive strategic plan for housing and community development activities. The purpose of programs and activities covered by this Consolidated Plan is to facilitate provision of decent housing, a suitable living environment, and growing economic opportunities, especially for low to moderate income residents.

Subrecipient requirements. 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.

Encouraging citizen participation. The state recognizes the importance of public participation in both defining and understanding current housing and community development needs and prioritizing resources to address those needs. The state's CPP is designed to encourage citizens of Indiana equal access to become involved each year.

Development of the Plans and Performance Reports

This document outlines how residents and stakeholders of the State of Indiana may participate in the development and review of the state's Five Year Consolidated Plan, each annual Action Plan, each CAPER, and any substantial amendments to a Consolidated Plan and/or Action Plan. The State of Indiana's program year begins July 1 and ends June 30.

The Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) are responsible for implementing and reporting on all aspects of the Consolidated Plan process. The following schedule provides an approximate timeline for the Consolidated Plan, annual Action Plan, and the CAPER.

Annual schedule. Annually, the preparation of the Action Plan, stakeholder consultation, and citizen engagement approximates the following. This schedule can change based on the timing of funding allocations from HUD, HUD guidance or directives, and/or states of emergency that affect report submissions.

July:
Begin Consolidated Annual Performance and Evaluation Report (CAPER) process

September:
15th: Begin 15-day Public Comment period for CAPER
30th: CAPER submitted to HUD

November through February:
Develop narrative of Annual Action Plan or Five Year Consolidated Plan
Plan community meetings and public hearings
Create and launch surveys
Conduct stakeholder consultation

January—February—March:
Conduct public participation process for Consolidated Plan including options discussed below
Draft Consolidated Plan or Action Plan, funding allocation plans/method of distribution (MOD), and policies for public comment
Update funding allocation plan and policies based on stakeholder consultation

March – April:
Hold public hearings

April:
Finalize plan based on stakeholder consultation and public comment

May:
15th: Consolidated Plan and Action Plan submitted to HUD

June:
End of annual Action Plan year

Citizen participation and stakeholder consultation. Annually, the state will choose from the following options for citizen participation and stakeholder consultation into the Plans. These techniques incorporate alternative methods of public process that encourage a broad spectrum of participation and a review of program performance.

Resident survey. A survey of Indiana residents could be conducted during the research phase of the Five Year Consolidated Plan in order to gather additional information on housing and community development needs and priorities for the Consolidated Plan. The survey would be available online using software that is Section 508 compliant. A variety of sampling and distribution methods may be used including a "snowball" sampling technique in which the survey is distributed to housing and community development partners who then circulate the survey to their clients/members. The survey would also be available on agency websites, as part of social media, and in email notifications (e-notifications). The survey would be available in the languages required of the state's LAP. Special accommodations for persons with disabilities would be made upon request.

Stakeholder survey and elected official survey. An online stakeholder survey may be administered to community development organizations, economic development officials, local government leaders and staff, housing developers, housing providers, social service providers, and advocacy organizations, among others. During some Consolidated Plan and Action Plan years, the survey may be conducted in the form of key informant interviews from a voluntary sample of stakeholders from throughout the state.

Focus groups. Focus groups may be held with local government leaders and staff, Regional Planning Commissions, advocates for persons with disabilities, Continuum of Care funding recipients, Community Action Agencies and Human Rights Councils, and residents, to gather in-depth information on the challenges Indiana residents face in accessing housing and services in their communities, community and economic development needs, and policy and program changes to address needs.

Stakeholder interviews. A series of interviews may be conducted with key persons or groups who are knowledgeable about housing and community development needs in the state.

Public hearings. A public hearing will always be conducted during the 30 to 45-day public comment period in virtual formats in five to six locations across Indiana. This meeting will occur at least one month prior to submission of the Plan, generally during the months of March or April. Alternatively, the State may choose to conduct in-person hearings in three to four locations throughout the state. These will occur on different days to encourage maximum participation.

Written comments. Written comments will always be accepted at any time during the Consolidated Plan and Action Plan processes in email or in hard copy. Instructions on how to provide comments will be part of public notices and described during the public hearings.

Consolidated Plan

The draft will provide information that includes the amount of assistance the state expects to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income, if available, and the plans to minimize displacement of persons and to assist any persons displaced.

A reasonable notice—generally two calendar weeks—is given to announce to the public the availability of the draft Consolidated Plan. Availability of the draft Plan is advertised through e-notifications that reach community development organizations, economic development officials, local government leaders and staff, housing developers, housing providers, social service providers, and advocacy organizations, among others, and is posted on OCRA and IHCDA websites. The state's current Language Access Plan (LAP) determines the languages in which notice is provided.

A 30 to 45-day public comment period is provided to receive written comments on the draft Plan. The 30 to 45-day comment period usually begins in March or April and ends in April or early May. The draft Plan can be reviewed at OCRA and IHCDA websites; emailed or hard copies can be provided upon request.
All written comments provided during the Consolidated Plan process will be considered in preparing the final Consolidated Plan. A summary of the comments received and a summary of the state's reasons for not accepting any comments will be included in the final Consolidated Plan. The state considers these comments before taking final action on the Consolidated Plan.

The final Consolidated Plan is submitted to HUD no later than May 15 each year, unless extensions are granted (e.g., for federal budget allocation delays, in the case of emergency response needs, etc).

Annual Action Plan

Each year the state must submit an annual Action Plan to HUD, reporting on how that year's funding allocation for the CDBG, HOME, ESG, HOPWA, and NHTF grants will be used to achieve the goals outlined in the Five Year Consolidated Plan. The CPP for preparation of the Action Plan is as follows:

The draft Action Plan will be available for 30 to 45 days to gather public comment on the proposed spending allocation. The state will hold at least one public hearing to describe the state's proposed allocation of the program year's funding allocation during the 30 to 45-day public comment period. The availability of the draft Plan and public hearings will be publicized on OCRA and IHCDA websites and circulated through e-notifications to housing and community development partners. In addition, OCRA and IHCDA will collaborate with stakeholder associations to further distribute the notice of the draft plan to their memberships and networks.

The public hearing will be conducted virtually and broadcast to several locations across the state. Alternatively, the state may choose to conduct in-person hearings in three to four locations throughout the state. These will occur on different days to encourage maximum participation.

During the hearing a facilitator will describe the proposed funding allocation, discuss funding priorities and how they were derived, and instruct attendees on how to submit comments on the draft Plan. In addition, participants will be given an opportunity to provide feedback or comment on the draft Plan. A summary of the public hearing comments will be included in the final Action Plan.

The state will review and consider all written public comments. The final Action Plan that is submitted to HUD will include a section that summarizes all comments or views in addition to explanations of why any comments were not accepted.

Consolidated Annual Performance and Evaluation Reports

Before the state submits a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD, the state will make the proposed CAPER available to those interested for a comment period of no less than 15 days. The availability of the draft Plan and public hearings will be publicized on OCRA and IHCDA websites and circulated through e-notifications to housing and community development partners. In addition, OCRA and IHCDA will collaborate with stakeholder associations to further distribute the notice of the draft plan to their memberships and networks.

The state will consider any comments from individuals or groups received verbally or in writing. A summary of the comments, and of the state's responses, will be included in the final CAPER.

Substantial Amendments

Occasionally, public comments warrant an amendment to the Consolidated Plan. The conditions for whether to amend are referred to by HUD as "Substantial Amendment Criteria." The following conditions are considered to be Substantial Amendment Criteria:

1. A substantial change in the described method of distributing funds to local governments or nonprofit organizations to carry out activities. "Substantial change" shall mean a reallocation of funds among program categories of programs of more than 25 percent of the total allocation for a given program

year's block-grant allocation.

Elements of a "method of distribution" are:

- Application process for local governments or nonprofits;
- Allocation among funding categories;
- Grant size limits; and
- Criteria selection.

2. An administrative decision to reallocate all the funds allocated to an activity in the Action Plan to other activities of equal or lesser priority need level, unless the decision is a result of the following:

   - There is a federal government recession of appropriated funds, or appropriations are so much less than anticipated that the state makes an administrative decision not to fund one or more activities;
   - The governor declares a state of emergency and reallocates federal funds to address the emergency; or
   - A unique economic development opportunity arises wherein the state administration asks that federal grants be used to take advantage of the opportunity.

Citizen participation in the event of a substantial amendment. In the event of a substantial amendment to the Consolidated Plan, the state will conduct at least one additional public hearing. This hearing will fall during a comment period of no less than 30 days, during which the proposed Plan amendment will be made available to interested parties. Either IHCDA or OCRA will post information regarding the hearing on their website(s) and send out a notice via their distribution list.

In the event of substantial amendments to the Consolidated Plan, the state will openly consider all comments from individuals or groups submitted at public hearings or received in writing. A summary of the written and public comments on the amendments and the state's acceptance or rejection of each comment will be included in the final Consolidated Plan.

Changes in Federal Funding levels
Any changes in federal funding level after the Consolidated Plan's draft comment period has expired, and the resulting effect on the distribution of funds, will not be considered an amendment or a substantial amendment.

Availability and Access to Records
The state provides reasonable and timely access for citizens, public agencies, and other organizations to access information and records relating to the state's Consolidated Plan, annual Action Plan, CAPERs, substantial amendment(s), the Citizen Participation Plan, and the state's use of assistance under the programs covered by the plan during the preceding five years.

The Indiana Office of Community and Rural Affairs webpage is www.in.gov/ocra and the Indiana Housing and Community Development Authority webpage is https://www.in.gov/ihcda/4048.htm for citizens interested in obtaining more information about state services and programs or to review the plans and CAPERs. A reasonable number of free copies will be available to citizens that request it. Upon request, these documents will be provided in a reasonable form accessible to persons with disabilities.

Citizen complaints
The state will provide a substantive written response to all written citizen complaints related to the Consolidated Plan, Action Plan amendments and the CAPER within 15 working days of receiving the complaint. Copies of the complaints, along with the state's response, will be sent to HUD if the complaint occurs outside of the

Consolidated Planning or Action Plan process and, as such, does not appear in the Consolidated Plan.

HOME.

HOMEBUYER PROGRAM POLICY

Summary of Changes to HOME Homebuyer Application Policy

Effective Program Year 2023

- Removed Application Fee for Homebuyer applicants.
- *2.2: Eligible CHDO Applications Proposing Projects in selected Participating Jurisdictions*: Updated to only include Anderson, East Chicago and Terre Haute per the criteria outlined under the State of Indiana Consolidated Plan.
- *3.3: HOME Program Requirements*:
    - Added that Income Verification must be submitted to IHCDA for approval prior to selling the unit to the Homebuyer. Additional requirements regarding this standard may also be found under the HOME Homebuyer Closing Manual.
    - Updated the Construction Standards to require three inspections per HOME-assisted unit, to comply with 24 CFR 92.251 Property Standards.
    - Added Re-Inspection Fee policy
    - Clarified eligible sources of match specific to Homebuyer to comply with 24 CFR 92.221(d).
- *4.1: Homebuyer Subsidies*:
    - Defined development gap subsidy and direct subsidy.
    - Increased buyer subsidy maximum to $60,000 for households at or below 50% AMI and $50,000 for households above 50% AMI
- *5.4: CHDO Proceeds*: Added requirement of CHDO Reuse Plan for CHDO Proceeds.
- *6.3: Eligible Activity Costs*:
    - Added requirement of construction contingency for Development Uses.
- *7.2: Homebuyer New Construction Provisions*: Added additional visibility requirements for new construction.
- *7.5: Underwriting Standards – Closing:* Added proposed utility costs to the closing and back-end ratio calculations.
- *7.7: Homebuyer Counseling*:
    - Identified allowable Housing Counseling Agencies and resources for assessing those agencies to ensure compliance with CFR 24 92.254(a)(3).
    - Removed requirement of post-purchase housing counseling.
- *Section 8: Lease Purchase Requirements*: Added new requirements for those applicants proposing to undertake a Lease-Purchase activity.
- *9.2 Threshold Requirements*:
    - Removed requirement for applicant to submit Debarment documentation.
    - Added requirement of submitting either an "as-is" appraisal or valuation by the local tax assessor.
- *10.1 Development Characteristics*:
    - Added new scoring category of Life Expectancy
    - Added new scoring of category for Post-Purchase Counseling
- *10.2 Development Features*:
    - Added additional points for units with 4+ bedrooms.
    - Adding scoring category for HERS rating
- *10.4 Capacity*:

    - Updated the list of eligible certifications.
    - Updated and simplified the requirements for Overall IHCDA Award Performance of the Applicant.
- *10.5 Leveraging of Other Sources:*
    - Added additional point for use of CHDO Proceeds on Homebuyer awards.

As for HOME Recapture and Resale, the HOME Rental Policy includes this paragraph:

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 if the new owner does not agree to remain in compliance with the HOME Award Agreement and HOME regulations for the duration of 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 of Compliance are no longer being submitted to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; or

6) Non-compliance with the HOME 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)

. . . and the HOME Homebuyer Policy includes this information:

4.4 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 downpayment 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.

4.5 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 driveway, 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 1: Application Process

1.1 Overview and Funding Priorities
The purpose of this HOME Investment Partnership Program (HOME) Homebuyer Program is to provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation and/or new construction of housing for purchase to serve low-income beneficiaries.

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. Demonstrate capacity and readiness to proceed;
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 design 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), Veteran-Owned Small Business (VOSB), and/or Service-Disabled Veteran Owned Small Business (SDVOSB) contractors, and development team members.

This Policy remains effective starting from Program Year 2023, until it is revised.

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
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 the Director of Real Estate Strategic Initiatives and Engagement 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 IHCDA early in the planning process to obtain guidance and technical assistance.

1.5 Application Submission
The following documentation must be submitted through IHCDA's OneDrive site:

- One completed copy in both Excel and PDF of the HOME application form.
- One completed copy in Excel of the HOME Homebuyer Pro-forma (please note that one-proforma per unit is required to be submitted).
- CHDO Application Workbook and supporting documentation (if applying for CHDO Certification)
- 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 (in PDF format)

Faxed or hardcopy applications will not be accepted.

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.
- Applicants must notify the Real Estate Department Coordinator when they have uploaded documents to OneDrive, including documents for CHDO certification. Failure to notify IHCDA when documentation is uploaded may result in delayed review or disqualification of the application.
- Applicants should notify the Real Estate Department Coordinator to add or change information for the contract person for communications regarding its application.

All applicants must retain a copy of their 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.

1.6 Application Review

Each application must address only one development or phase. 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 7. 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. 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.
Step Three - Scoring	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.

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. IHCDA will hold the allocation of funding for Homebuyer aside for two programs; if funds in a Program Year 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.

IHCDA will inform the Applicant when the Application has been confirmed on the IHCDA Board of Directors Board Agenda; if approved, IHCDA will inform the Applicant of the approved award. 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.

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), or those which have not received Release of Funds are exempt from this requirement.

1.8 Minimum Score Requirement

An application must score at least 50 points to be considered for funding.

1.9 IHCDA HOME & HTF Program Manual

The IHCDA HOME and HTF Program Manual outlines the requirements for administering IHCDA's HOME and HTF awards. A complete copy of the Program Manual and all exhibits is available on IHCDA's compliance webpage. IHCDA's HOME Homebuyer Closing Manual located on the HOME webpage, outlines the requirement for unit closing and unit completion requirements.

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 environmental review webpage. 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 federal regulations, underwriting as outlined in Section 7 the total HOME award above the maximum specified in this policy, or scoring. IHCDA may consider waivers, which are identified under this policy. Waiver requests to IHCDA's HOME Homebuyer Application Policy must be submitted in writing at least 30 days before the submission of the complete application. Waivers must be submitted to the Director of Real Estate Strategic Initiatives and Engagement. IHCDA will respond in writing to approve or deny each waiver requested. IHCDA will not approve a waiver to any federal regulation.

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 following participating jurisdictions. Applications from, or housing activities located within, the following participating jurisdictions are NOT eligible for HOME funds:

Bloomington	Hammond	Muncie
Evansville	Indianapolis/Marion County*	South Bend Consortium**
Fort Wayne	Lake County	
Gary	Lafayette 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 qualifying participating jurisdictions are as follows:

Anderson	East Chicago	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 5.5, and CHDO Predevelopment Loans, as described in Section 5.6.

IHCDA may, at its discretion, require CHDOs 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 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.

Any entity currently on a federal debarment list, on IHCDA's suspension or debarment list, or in default on an IHCDA loan is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in Chapter 17 of the IHCDA *HOME and HTF Program Manual*.

Additionally, IHCDA does not fund requests from:

- Individuals
- Political, social, or fraternal organizations
- Institutions that discriminate, in policy or in practice, on the basis of race, color, national origin, sex, religion, familial status, disability, ancestry, sexual orientation, gender identity, or against victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking

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 housing for homebuyer activities. A property must either be a single-family unit, duplex, triplex, townhome, or a building with no more than 4 units.

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 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, 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;
- 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;
- Standalone downpayment assistance;
- Land contracts and contracts for deed;
- Any other activity not specifically listed as an eligible activity in Section 3.1 above.

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 the IHCDA Compliance website.

- Recipients must comply with all regulatory requirements listed in 24 CFR Part 92.

Applicants should familiarize themselves with IHCDA's 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.
  - The award recipient must submit a household's complete income verification to IHCDA for review and approval prior to executing any contract or purchase agreement. A contract or purchase agreement cannot be executed until IHCDA has signed off that the household is income eligible. While conducting an income review, the IHCDA compliance auditor will also ensure the household is an eligible homeowner. The complete income verification must be submitted at least 30 days before closing and before the HOME Homebuyer Written agreement is signed by the homebuyer.

- **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 IHCDA's ERR webpage.
  - 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 <u>only after</u> 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 new construction assisted units must be inspected three times during the award period. The first inspection will occur after excavation of foots and footing concrete is poured; the second inspection will occur any time before the completion of the wall insulation and hanging of dry wall; and the last inspection will occur when 100% of the construction has been completed, including landscaping and site work and prior to move-in.
    - Inspection 1: the grantee must reach out to the Lead Grant Manager to notify when the footer will be completed. If IHCDA's third-party Inspector is unable to schedule the first inspection, the grantee may elect to use their City Inspector or another Qualified Inspector that meets the requirements as noted in the HOME & HTF Manual. Once the inspection has been completed, the *IHCDA Footer Inspection Certification Form* will need to be signed and submitted to the Lead

Grant Manager. If the City Inspector is unable to sign the IHCDA form, they may submit their own documentation to IHCDA for approval; the IHCDA form would still need to be signed by both the contractor and property owner.

    - Inspection 2: IHCDA will require the *IHCDA Framing Inspection Certification Form* to be submitted to the Lead Grant Manager. IHCDA's third-party contractor will be required to inspect before drywall is installed.
    - Inspection 3: Once the project is complete, the City Inspector, or Qualified Inspector will sign the *IHCDA Final Inspection Certification Form*. IHCDA's third-party will then conduct the final inspection.
  - All IHCDA rehabilitated-assisted units must be inspected three times: first, IHCDA will inspect and confirm the cost estimates as provided in the application prior to Board approval (please note that IHCDA may require changes to cost-estimates and the pro-forma based on the inspection); the second 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 final inspection will be conducted upon completion of construction by unit for the award.
  - The first inspection must be completed by either IHCDA or it's third-party inspector per 92.251(b)(3).
  - Please note that grantees must reach out to the Lead Manager to schedule the final inspection on the unit within 30 days of receiving the certificate of occupancy.
  - Final inspections will also include a review of Universal Design Features, and any Green Building Techniques and Design Features as stated in the application for funding.
  - If electing HERS for points, the grantee must also provide a certified HERS rating inspection to the Lead Grant Manager.
  - 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 HOME & HTF Program Manual and within the match workbook.
  - Specific to the HOME Homebuyer program, as noted in 24 CFR 92.221(d) on match credit for the development of affordable homeownership housing for sale to homebuyers: contributions to the development of homeownership housing may be credited as match only to the extent that the development costs exceed the fair market

value of housing, then the contribution may be credited to the extent that the contribution enable the housing to be sold for less than the cost of development.

- Any development sources (e.g. construction loan, developer working capital/equity) that get repaid from proceeds may not be counted as match.
- If any contribution becomes a part of the buyer's first mortgage, or part of sales proceeds, it cannot be counted as match.
- Any funds allocated to the development subsidy or appraisal gap, may be counted as match.
- Any buyer's first mortgage (from a nonfederal source) qualifies as a below-market interested rate (BMIR), then the present value of that below market interest rate can be counted as match. Habitat Affiliates are strongly encouraged to include this as a match source.

- 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 required under Chapter 11, and the applicable amendments to the 2020 Indiana Residential Code.

- **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 7 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 (defined as the final inspection conducted) 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.

- **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.

Part 4: Homebuyer Subsides, Resale & Recapture Requirements

4.1 Homebuyer Subsidies

The HOME program has two subsidies: the Development Gap Subsidy and the Direct Subsidy.

Development Gap Subsidy: In the event the total development costs exceed the appraised value, the housing unit may not sell for more than the appraised value. The difference between the total development costs and the appraised value is the development gap subsidy. This may also be called the "appraisal gap".

Direct Subsidy: The total amount of funding that enables the homebuyer to purchase the dwelling is considered the direct subsidy or the "affordability gap". Direct subsidy under this policy is defined as down payment assistance and closing cost assistance.

Projects may also necessitate the need for **Interim Construction Financing**. This is a 0% Loan from IHCDA to the Developer to cover capital cost gaps for homebuyer projects; this can be used when the Developer does not have enough sources to cover the projects. HOME regulations require the proceeds upon sale to be repaid to IHCDA; this is not a permanent contribution to the housing. Interim Construction Financing is the difference between the Total Development Costs and (Development Subsidy + Buyer Subsidy + Costs paid from Sales proceeds).

IHCDA will determine if Interim Construction Financing is needed during the application review.

4.2 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 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 to IHCDA and approved, final monitoring completed and any findings or concerns resolved, and all funds 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

4.3 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 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.

More information on the requirements of Annual Recertification may be found in the HOME Homebuyer Closing Manual.

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.

4.4 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.

4.5 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 driveway, 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 5: Community Housing Development Organizations (CHDOs)

A Community Housing Development Organization (CHDO) is a private, community-based nonprofit organization whose primary purpose is to develop affordable housing for the community it serves. To be recognized as a CHDO, an organization must meet the requirements pertaining to the legal status, organizational structure, capacity, and experience as set forth in 24 CFR 92.2, and be certified by IHCDA. Part 5.1 outlines IHCDA's CHDO certification process.

Organizations that are certified as CHDOs are eligible to request CHDO Operating and Predevelopment funds. CHDO may also retain CHDO proceeds.

5.1 IHCDA CHDO Set-Aside

IHCDA must allocate at least 15% of its HOME funds for CHDO developments.

5.2 CHDO Eligible Activities

Under this policy, 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.

5.3 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's CHDO website. The CHDO application must be submitted at the same time as submittal of the HOME application.
- 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.

5.4 CHDO Proceeds

CHDOs either receiving loan repayments back from homebuyers during the affordability period or CHDOs who have proceeds from the sale of unit may retain these funds at IHCDA's discretion.

The funds must be utilized for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2); households must have incomes at or below 80% of the Area Median Income. Examples of affordable housing activities which may be funded with CHDO Proceeds include: emergency repairs, project operating costs and reserve, housing refinancing costs, Developer's operating expenses, and housing counseling.

CHDO Proceeds which are retained by the Developer are not subject to the requirements of the HOME regulations except for the income requirements under 92.300(a)(6)(ii)(A). Thus, the Davis-Bacon Act, National Environmental Policies Act and Uniform Relocation Assistance and Real Property Acquisition Policies Act do not apply to the use of CHDO Proceeds.

However, because CHDO Proceeds are derived from the expenditure of HOME funds, any activities which are funded with CHDO Proceeds may not be contributed as HOME Match.

Funds generated from the use of CHDO Proceeds are not CHDO Proceeds. CHDO Proceeds are governed by the Developer Written Agreement for the project that created them.

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.

IHCDA will not allow CHDOs to retain proceeds on units that place a third lien of the property with a payable note that takes the place for needed additional subsidy that could have been negated with HOME homebuyer subsidy funding (up to $60,000).

CHDOs must submit their CHDO Reuse Plan to IHCDA which will outline the CHDO's intent on how to utilize the CHDO Proceeds. Further instruction on this may be found in the HOME Homebuyer Closing Manual.

5.5 CHDO Operating Supplement

A CHDO may apply for a CHDO Operating award in an amount not to exceed $50,000[1] along with their capital funding request in a HOME homebuyer funding application. However, a CHDO may not receive more than $50,000 in CHDO Operating funds for new projects within one program year.
Eligible CHDO Operating 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

[1] However, the CHDO Operating award cannot exceed 50% of the CHDO's total annual operating expenses within one program year.

A CHDO that has already received a CHDO Operating award for a project funded within the previous two HOME program years is eligible to apply for a second CHDO Operating award of up to $25,000 if they meet the following criteria:

- Began construction within the 12 months of receiving the executed HOME Award Agreement from IHCDA;
- Have drawn a minimum of 25% of the IHCDA HOME award; and
- Have drawn 100% of the original CHDO Operating award.

CHDO Operating Support cannot exceed $50,000 within one program year. The HOME program year is July 1st through June 30th.

5.6 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.
- All claims under the CHDO Loan must be submitted and approved by IHCDA prior to claiming on the Homebuyer award.

Information and details on how to apply for CHDO Predevelopment and Seed Money Loans may be found on the CHDO Webpage.

5.7 CHDO Certification

Non-Profits that wish to certify as a CHDO must submit their full CHDO application. Details on the required application and documentation can be found on the IHCDA CHDO webpage. IHCDA will not certify a CHDO outside of a request for HOME construction funding.

If the CHDO was certified within six months of the application submission, through either another HOME Homebuyer application or HOME rental application, IHCDA, at its discretion, may not require a full CHDO certification. The CHDO must provide a letter from the Executive Director, or Board Chair, stating that there been no changes that would disqualify the previous certation. If there have been changes, the letter must document those changes, and applicable documentation must be submitted.

Part 6: Budget Subsidy Limitations & Eligible Activity Costs

6.1 Subsidy & Budget Limitations

The maximum request amount per application is $500,000 for homebuyer activities. Under this policy, the applicant must provide construction costs estimates and a per-unit pro-forma to support the amount of HOME funding requested per unit. Cost must be determined to be reasonable. 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.
- A minimum of $1,000 of the HOME funding must be used as the buyer subsidy. This cost may also not exceed $60,000 or $50,000/unit dependent on the AMI of the household.
- IHCDA will allow for a buyer subsidy of up to $60,000 for those households who income qualify at closing at or below 50% of the Area Median Income. Buyers above 50% of the Area Median Income may qualify for a buyer subsidy of up to $50,000. Please note that every household will be individually underwritten, and IHCDA will not provide more buyer subsidy than needed.

6.2 Form of Assistance

HOME funds will be awarded to the recipient in the form of a grant or loan. Please note awards as a grant may still require repayment of Interim Construction Financing as proceeds. 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.

6.3 Eligible Activity Costs

The bolded items listed below are included in the application budget.

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.

CONSTRUCTION CONTINGENCY: Developers must incorporate a 5-7.5% construction contingency for new construction projects and 7.5-10% contingency for rehabilitation projects. Construction contingency is designed to help developers pay for unforeseen cost overages. If the amount budgeted for construction contingency on a unit is insufficient to meet the cost overage, the developer must then use their developer fee to meet these costs.

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. Please note that the 15% cap is per unit under the HOME Homebuyer program.

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. 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 on IHCDA's ERR webpage.

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 Construction Manager as Constructor (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. 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.

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 $5,000 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.

Deobligation - IHCDA reserves the right to deobligate funds if funds are not committed and/or expended and construction completed by the date referenced in the award agreement, or if the project substantially changes after the funding commitment. IHCDA will periodically review the administrator's progress toward the timely expenditure; if IHCDA determines that the project is no longer feasible or is not progressing timely so that the deadlines will be met, funds may be deobligated.

6.4 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

Part 7: Homebuyer Requirements

7.1 Eligible Beneficiaries

Each household must have an annual gross 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 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 qualify homebuyers for the program; however, HOME-assisted units are not considered completed until the unit has been sold to an income eligible homebuyer, all closeout documentation and the final claim for the entire contract has been submitted and approved by IHCDA. IHCDA will hold $5,000 of the award per unit; this 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

7.2 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 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.
- Each hallway on the first floor has a width of at least 36 inches and is level, with ramped or beveled changes at each door threshold.
- Each bathroom on the first floor is reinforced for potential installation of grab bars and,

- Each electrical plug or receptacle is at least 15 inches above the floor.

7.3 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.

7.4 Underwriting Standards – Commitment & Financial Resources
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.

The applicant must submit the HOME Homebuyer Pro-forma, with the Commitment Tab completed upon application to IHCDA. The applicant must submit the Pro-forma for each unit. Applicants must resubmit an updated pro-forma to IHCDA if there are changes in the targeted household.

Under the **Development Budget**, the applicant will identify the total cost by activity for the unit and identify the amount of HOME funding requested by activity. Please note that free-standing accessory structures, landscaping and seller's closing costs are not eligible for reimbursement under the HOME program.

Applicants must include the "as-is" appraised value of the property as part of TDC, and to include that cost under the acquisition section. If the homebuyer has donated the property, the as-is appraised value cannot be counted toward TDC.

Total Development Cost (TDC) will be calculated; the Development Subsidy, or the difference between the projected Sales Price at Appraised/Market Value will also be calculated. IHCDA will compare the development budget to the construction costs estimates submitted.

The applicant must also include the proposed amount of HOME to be used as construction costs under the "HOME Request" column. Please note that this amount should match the same amount as listed as "Total Public Investment" under the Development Sources section.

All costs listed under TDC and in the construction cost estimates are subject to the 2 CFR 200 Cost Principles; all costs will be evaluated to ensure reasonableness, and to ensure costs are necessary, allocable and documentable. All uses must be documented during the construction process.

The applicant must project the anticipated sales price. The applicant may submit an Appraisal (After-Development Value) – if this is submitted with application, no additional appraisal will be required at closing and the unit may sell at this price. An applicant may also provide comps to justify the proposed sales price. IHCDA may allow for a Broker's Opinion on a case-by-case basis, but will not accept either a Broker's Opinion or Comps on a proposed project with more than four units. Please note that if comps are used (or a Broker's Opinion), a final appraisal must be submitted as part of the final underwriting prior to sale.

Under **Buyer's Analysis**, the applicant will estimate the amount of "buyer subsidy" projected for the proposed unit. Please note these are projections and may changes upon the Final Underwriting, prior to closing.

- *Closing costs/prepaids*: The applicant must identify the estimated closing costs or pre-paids funds for the unit.

- *Allowable LTV*: The applicant must also identify the Loan-to-Value (LTV). IHCDA does not have an allowable LTV, but recommends no higher than 95%. (Note: this should be entered in as a percentage). LTV cannot be below 80%, unless required by a primary lender. IHCDA may allow for an LTV to be below 80% on a case-by-case basis at final underwriting based on the back-end ratio, percentage of the buyer cash investment and the remaining assets.

- *Interest Rate*: Applicants should estimate the interest rate for the first mortgage.

- *Mortgage Insurance Premium Rate:* The applicant should identify the MIP/PMI, if applicable.

- *Term (years):* This analysis must be based on the borrower's payment for a minimum of a 20 year mortgage; please note this may not exceed a 30 year mortgage, unless the primary loan is a USDA loan.

- *Total Monthly Escrow (Taxes, Insurance, Utilities and Associate Fees*): The applicant should estimate annual taxes, insurance and associate fees (if applicable) for the proposed unit. 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 may include utilities based on documentation submitted to IHCDA or the Utility Allowance model.

The Buyer Analysis will calculate a total monthly payment, and the minimum income for an unassisted buyer required to purchase the home. This analysis includes an affordable payment (principal, interest, taxes, insurance) and utilities with a front-end ratio of 29% or lower of gross income.

- *Projected Buyer Cash*: IHCDA requires the Homebuyer contribute a minimum of $250 toward the purchase price of the home. This amount should be included under "projected buyer cash".

- *Maximum Total Buyer Assistance available*: The applicant should estimate the maximum total buyer assistance which may be provided through either the HOME Buyer Subsidy, and/or other sources of funding. Please note this may not exceed the "Assistance needed for DPA/Closing" amount. This amount should not exceed $60,000 if the proposed buyer is at or below 50% AMI, or $50,000 if the proposed buyer is above 50% AMI.

The applicant <u>may not</u> 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.

- *50% AMI Limit for 4-person household*: The applicant should identify the 50% AMI limit for a 4-person household for their respective County. This information may be found through IHCDA's RED notice.

The pro-forma will calculate the minimum income needed to purchase the unit based on the front-end ratio, and the approximate AMI limits by household.

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.

Under **Development Sources**, the applicant should identify other sources of funding for the construction/rehabilitation of the unit. Please note that documentation of sources must be included with the application.

- *Other Grants (applied to Dev. Subsidy)*: The applicant should identify the amount of other grant applied to the Development Subsidy, if applicable. Examples of other grants to be provided to apply to the Development Subsidy, include: donations, discounts, waived fees, volunteer labor, philanthropic support, public funding and some cash donations. Sources identified as "other grants" must be applied to the development subsidy and will reduce the amount of the development subsidy needed.

- *Equity (repayable from proceeds)*: The applicant should identify any equity that is repayable from proceeds. This may include cash provided by the applicant.

- *Construction loan (repayable from proceeds)*: The applicant should identify the amount of any construction loan (repayable from proceeds).

The **Total HOME Investment Needed** will identify the amount of Development Subsidy, the amount of Buyer Assistance, and any additional construction period financing (interim) from HOME needed.

Any additional construction period financing needed is considered program proceeds – organizations certified as CHDOs may retain those proceeds, per the CHDO Reuse Agreement. Organizations not certified as CHDOs must repay that interim financing after closing.

If the sales prices exceeds the TDC, or if other grants fully fund the Development Subsidy, then the project will not be eligible for funding for the Development Subsidy. The proforma will either show $0, or a show a negative amount under the Development Subsidy cell. The application will be considered for Interim Construction Financing (which may be subject to repayment, dependent upon if the organization is a certified CHDO) and buyer subsidy. Please note that an application for only buyer subsidy is not eligible under this policy.

The total public invested needed is then calculated - the amount of HOME funding requested under the **Development Budget** must not exceed this amount.

7.5 Underwriting Standards – Closing

Prior to closing, the HOME Administrator must re-submit the HOME Homebuyer Pro-forma, with the Closing Tab Completed. The HOME Homebuyer Unit Closing Manual provides more guidance on the closing underwriting standards.

Sales Prices at Appraised/Market Value: The HOME administrator should identify the final Sales Price at Appraised/Market Value. This must come from an appraisal.

Under the **Development Budget**, the HOME administrator will identify the total final cost by activity for the unit. Please note this includes the total cost, not just the amount provided under the HOME funding. This may include the cost of volunteer labor, donated materials, and the appraised value of donated property. Documentation must be included for all uses (either through the construction cost estimate or letters of donation as examples).

Under **Buyer's Analysis - Closing**, the administrator will calculate the amount of "buyer subsidy" for the unit; this amount will be reflected in the Restrictive Recapture Covenant and will be subject to the Recapture Provisions. Information will be reviewed against the final Closing Disclosure.

- *Closing costs/prepaids*: The HOME administrator must identify the final closing costs or pre-paid funds for the unit. The total cash needed for the transaction will be calculated.

- *Buyer's cash investment (deposit + cash at closing)*: IHCDA requires the Homebuyer contribute a minimum of $250 toward the purchase price of the home. Amounts put into escrow can be counted in this section.

- *Buyer's Investment for "paid outside closing items"*: if the buyer had any additional items in which lowered the mortgage, please enter that amount in the cell. This may include sweat equity.

- *Buyer's Mortgage*: Please put the amount of the first mortgage. If there is a second mortgage, please contact IHCDA for inclusion of that second mortgage in the proforma.

- *Other Assistance*: The HOME administrator should identify the amount of other downpayment or closing cost assistance the buyer may have received to purchase the unit. Documentation will be required to be submitted prior to closing approval.

- *Interest Rate*: Please include the annual interest rate for the first mortgage.

- *Mortgage Insurance Premium Rate:* The HOME administrator should identify the MIP/PMI, if applicable. The yellow cell should be the rate; the orange cell should include the annual payment.

- *Term (years):* This analysis must be based on the borrower's payment for a minimum of a 20-year mortgage; please note this may not exceed a 30 year mortgage unless the mortgage is a USDA mortgage.

- *Total Monthly Escrow (Taxes, Insurance and Associate Fees*): The HOME administrator should include annual taxes, insurance and associate fees (if applicable) for the unit. 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.

- *Utilitie*s: projected utility costs for the household would be included in this cell.

- *Total Escrow with Utilities (monthly)*: this cell will calculate the amount of Escrow in the Closing Disclosure and Mortgage plus the proposed monthly utilities.

- *Annual Income*: The HOME Administrator must calculate the annual income of the buyer. **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 these underwriting purposes.

- *Existing Non-housing Consumer Debt – Monthly*: In accordance with 92.254(f)(l), homebuyers recurring monthly expenses must be evaluated. The HOME Administrator is required to assess the effect of other substantial monthly living expenses on the buyer's ability to repay a mortgage.
    - This analysis may include car loans, student loans and credit cards if those payments are expected to occur throughout the period of affordability.

- *Housing Ratio*: This cell will automatically fill. IHCDA will require a 41% back-end ratio (or lower), which is calculated through an analysis of the principal and interest payment, mortgage insurance, escrow, and existing non-housing consumer debt.

- *Buyer's starting liquid assets* : The homeowner 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. The Pro-Forma must show that there are financial resources of at least two times the total monthly housing expense, including principal, interest, taxes, and insurance (**Total Pmt**); this demonstrates there are sufficient cash reserves post-closing on the HOME-assisted unit. The HOME Administrator should identify the Buyer's starting liquid assets (prior to sale); the remaining assets/monthly payment should be at least double the amount under Total Payment. IHCDA will allow the applicant to submit their own Liquid Assets policy to IHCDA for approval.

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.

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.

Development Sources will calculate the total development costs, costs paid from sales proceeds, the development period costs, and the gross development subsidy. The administrator must identify other grants, any equity to be repaid from proceeds, construction loans and other sources of financing. If any changes to the capital stack occurred from the initial approved commitment tab, the administrator must provide documentation of sources.

Under the "HOME Actually Drawn" cell, the administrator must include the total HOME awarded (less any deobligation) for the housing unit. This includes any development fee not yet claimed from IHCDA.

The Balance/Gap should be $0.

The Summary of the HOME Investment will calculate how the HOME investment was used – including the Development Subsidy, the HOME Buyer Assistance (pass-through) and any HOME Interim Construction Loan. Please note the use of the HOME Interim Construction loan is considered proceeds and is subject to either repayment as Program Income to IHCDA, or is defined as CHDO Proceeds, subject to the Reuse Agreement.

7.6 Lending Standards

IHCDA is required to review each primary mortgage to ensure the loan is sustainable to the low-income population to be served. 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 private mortgage (first and second if applicable) to ensure the loan is sustainable to the low-income population to be served.

The Primary loan must be a "Qualified Mortgage" (QM) under the requirements of the Consumer protection Financial Bureau (CFPB) outlined at 12 CFR 1026.43(e). Qualified Mortgages, limit total points and leader fees to reasonable levels. Qualified Mortgages also strictly limit pre-payment penalties and contain may other features intended to protect consumers.

There are exemptions from the QM standards for certain non-profits (including Habitat for Humanity) and Community Development Financial Institutions (CDFIs), and USDA Section 502 Direct Loans.

If the private mortgages contain terms and conditions that are predatory or harmful to the homebuyer, the homebuyer will not be eligible to receive funds from IHCDA. 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. IHCDA may allow waivers on a case-by-case basis.

- 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 mortgage must also not contain any right of first refusal – only the Participating Jurisdiction is permitted told hold any right of first refusal. When sold, the unit must be sold in fee simple.

Lenders are also not permitted to charge fees for HOME funding.

The Developer must also include a contingency within the sales contract with their perspective buyer that IHCDA must approve the buyer and the level of assistance.

The primary mortgage must be submitted to IHCDA three weeks prior to closing for final approval. If the Developer is unable to submit the primary mortgage to IHCDA, a closing disclosure may be submitted; however, the Developer must submit the primary mortgage prior to the final submission of the post-closing documents.

7.7 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. HUD retains a list of eligible Housing

Counseling Agencies. Indiana-based agencies can be found here. HUD also retains a list of national agencies who provide housing counseling located here.

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 requires pre-purchase counseling as eligible under this policy; homeowners may also take post-purchase counseling in addition to pre-purchase counseling. 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 HOME administrator may elect to provide additional Housing Counseling which is allowable. Please note however, that the homebuyer must also complete the required HUD Housing Counseling. Housing Counseling may be included as part of soft costs, and donated counseling may be counted as HOME Match.

The recipient may not charge servicing, origination, processing, inspection, or other fees for the costs of providing homeownership program assistance.

7.7 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 as part of the threshold requirements. Please see Section 7.4 for other options on appraisals.

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 releases the limits annually. 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 (the mortgaged amount), 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.

7.8 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.

7.9 Closing on HOME-Assisted Unit.
Please see the IHCDA HOME Homebuyer Closing Manual for more information on closing requirements and timelines.

7.10 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 8: Lease Purchase Requirements

Lease-Purchase is a transitional option between rental and homeownership; lease-purchase programs assist households with preparing for homeownership. Additional goals of the lease-purchase program include:

- Serving buyers who may require more intensive support;
- Expanding the potential market for homes; and
- Assisting buyers to build equity on the HOME-assisted unit.

Applicants may propose a lease-purchase project under this policy. Applicants must apply under the IHCDA HOME Homebuyer Policy and not the IHCDA HOME Rental Policy.

Please note that requirements specified in previous sections are still requirement under Lease-Purchase proposals.

8.1. HOME requirements

Lease purchase activities are covered under the 24 CFR 92.254(a)(7) and are defined as a Homebuyer activities.

Regulations covered under 92.252 pertaining to (but not limited to) Low/High-HOME rents, utility allowance, annual income verifications, lease provisions do not apply to lease-purchase programs.

Applicants must submit the full application, and pro-forma. Additional items required specific to Lease-Purchase are outlined in Section 9: Threshold.

8.2 Applicant Eligibility Requirements

Applicants must have previous experience with both IHCDA Rental and IHCDA Homebuyer policies to be considered for a lease-purchase program. Applicants must currently own at least one IHCDA HOME Rental project and be in compliance with all requirements through the Annual Owner Certification and triennial file audits and inspections.

The applicant must further demonstrate capacity to both provide housing counseling and other applicable financial empowerment services to eligible households. Applicants may provide these services or submit documentation of partnerships with other entities who will providing these services to lease-purchase residents.

8.3 Ineligible lease-purchase activities

Neither land contracts, nor contract for sale transactions are permitted under this policy.

The following project types are ineligible to apply under this policy:

- Rental Housing Tax Credit projects

- Projects previously assisted with HOME funds under the HOME Rental program still within their period of affordability. If a tenant wishes to purchase their HOME-assisted unit still within the period of affordability please have the current owner contact IHCDA.

8.4 Lease-Purchase Provisions and Completion Deadlines

Eligibility must be determined at the time at time of entering into lease-purchase agreement. The household must be at or below 80% of the Area Median Income using the HUD Part 5 requirements, as outlined under Section 3. Income may increase during the lease period – the buyer will remain eligible regardless of the income increase at time of closing.

The lease-purchase agreement must be signed within nine months of construction completion. If the agreement is not signed, the unit will automatically convert to rental and will be required to follow all HOME rental requirements for the duration of the HOME rental affordability period.

Applicants will have no more than two years to complete construction and sign the lease-purchase agreement. The lease-purchase agreement must be for at least six months, but no more than 12 months. The applicant may request to extend the lease purchase agreement to an additional six months (18 months in total).

If construction is completed under two years, the applicant may request an additional extension on the lease-purchase agreement. Please note that the HOME regulations require that a lease-purchase agreement not exceed a total of 36 months.

The project must be fully closed within four years of the HOME construction contract with IHCDA so applicants must be aware of the above required timelines to ensure compliance with the HOME regulatory requirements. Failure to transfer the property to a buyer may either require the unit or units to automatically become rental units which would then require all requirements under the HOME Rental regulations be followed (including but not limited to rental and income requirements and the rental period of affordability) or, that the entirety of the award be repaid to IHCDA and the project be considered a failed project.

8.5 Additional Beneficiary Eligibility Requirements

Applicants must establish a separate lease-purchase policy which outlines the requirements of the beneficiary. The policy must be submitted to IHCDA with the application for HOME funding for approval. The policy must include:

- Minimum incomes of the household to be eligible (cannot exceed 80% of the Area Median Income);
- Rental history;
- Lessor maintenance requirements.

The applicant's policy must also explain how the owner will help identify lenders who can provide purchase money mortgages to the beneficiary.

The policy must further define the roadmap from lease to sale of the unit. It must include benchmarks the household would be required to achieve prior to closing and outline the circumstances in which the lease may not be renewed. IHCDA strongly recommends that households who are not able to purchase within the HOME deadline not be subject to eviction but instead moved to another unit within the Applicant's portfolio or be given sufficient time and additional support to find another rental unit.

The lease-purchase agreement and any subsequent renewals may be tied to ongoing housing counseling and case management. This must be included in the policy.

8.6 Additional Underwriting Criteria

Lease-purchase units under this policy are not subject to HOME Rental limits nor utility allowances. The applicant should identify the rent to be set for the unit during the lease-purchase agreement term.

While IHCDA does not require the set rent to be above or below the anticipated mortgage payment, IHCDA does recommend rent be set above the anticipated mortgage payment. Applicants should also take into account the internal management costs, maintenance, and taxes while the property is a rental.

A minimum of 10% of the rent paid should be put into a separate account to be used toward the downpayment for the unit.

Part 9: 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 the completeness and threshold requirements listed below.

9.1 Completeness Requirements

- 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.

9.2 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 OneDrive Site.	Uploaded to OneDrive site
Threshold	**Location**
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
Unique Entity Identifier • The applicant must have an active Unique Entity Identifier (UEI) to be considered for HOME funding.	Application
Debarment Information • All entities identified in the application must not be on a federal debarment list, IHCDA's suspension or debarment list, or in default on an IHCDA loan. • Applicant must agree not to select any contractors or subcontractors on the federal debarment list or IHCDA's suspension or debarment list	Application

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
Application Submission Resolution • All nonprofit applicants 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) If the applicant is a unit of local government, please contact IHCDA for a copy of the required application Resolution.	Tab B_Resolution
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. Please note that the grievance procedures must be specific to homebuyers.	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. The applicant must also submit a marketing plan, if homeowners are not identified.	Tab D_Market Need, Application
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 and income statement.	Tab F_Capacity

Homebuyer Proforma • Complete Homebuyer Unit Pro-Forma workbook for each unit proposed. • Applicants should fill out the "Commitment" Tab of the workbook. • Homebuyers are not required to be identified prior to application. Potential homebuyers are encouraged to be pre-qualified at time of application. • Prior to the sales contract, the grantee will be required to the Pro-Forma with the "Closing" Tab completed. Completion of homebuyer counseling is not required at time of application. 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.	Tab G_Pro-Forma
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.	Tab H_Notifications

Administrator Documentation (if applicable)
• If the applicant has hired an administrator, provide documentation demonstrating that the administrator has been properly procured using the Competitive Negotiation Procedure (RFP).
  • Submit a copy of the Request for Proposals (RFP).
  • Submit the published advertisement for the RFP that was placed in a general circulation newspaper.
Submit a copy of the signed contract between applicant and administrator.
	Tab I_Administrator

Site Map and Photos • Submit a clear, colored, site map • Submit clear, colored site photos.	Tab J_Site Map
Title Search • Submit evidence of clear title with a title insurance commitment, title search documentation, or an attorney's opinion letter.	Tab K_Readiness
Construction Cost Estimate • Submit detailed construction cost estimate for the development. Please include this for the project, and for each proposed unit. • If the construction cost estimate was not put together by an engineer or contractor, please provide information as to how the estimates were generated.	Tab K_Readiness

Site Control • Submit either a purchase option or purchase agreement that expires no less than 30 days subsequent to the award announcement date or an executed and recorded deed	Tab K_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, and any amenities
  ○ Location and size of any proposed commercial areas
  ○ Scaled drawing elevations for all building types. Exception: Rehabilitation projects may instead submit renderings or photographs if they are accompanied by an architect's certification that elevations will not change.
	Tab K_Readiness

Unit and floor Plans • Submit unit plans that include the square footage for each type of unit. • Unit and floor plans may not be handwritten. • For Habitat Affiliates: If the specific unit and floor plan are not finalized, the applicant may provide a variety of plans.	Tab K_Readiness
Appraisals • Applicants must submit two appraisals (unless submitted an "After-Development Appraisal" with application). The appraisals must be a fair market appraisal (completed by an Indiana qualified appraiser). • The first 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. IHCDA may allow an estimate of this value by the local tax assessor based on comparable properties in the same neighborhood. This must be complete within the six months prior to application. • The second appraisal must be an "After-Development Value" appraisal. This may be submitted with the application, or as part of the close-out packet. If submitted with the application, no further appraisal must be conducted. • 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 from the as-is appraisal.	Tab K_Readiness

Zoning Approval Provide a letter no older than six months from the appropriate, authorized government official (e.g., zoning commission) that certifies the current zoning allows for construction and operation of the proposed development and lists any required variances that have been approved.	Tab K_Readiness
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
Environmental Review and Flood Map • Submit completed environmental review forms. Instructions and forms can be found in the ERR 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 L_Environmental Review
Letters of Commitment • Submit signed letters of commitment, or agreements for all funding sources with funding terms and amounts. This includes Deferred Developer Fee. • IHCDA can accept conditional agreements and letters, pending approval from IHCDA's HOME funding. • All letters must be signed by the highest official, on letterhead and in PDF format.	Tab M_Financial Commitments
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 M_Financial Commitments

<table>
<tr><td>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.</td><td>Tab M_Financial Commitments</td></tr>
<tr><td>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.</td><td>Application</td></tr>
<tr><td>Match Requirement
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 M_Financial Commitments</td></tr>
<tr><td>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.
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.</td><td>Application</td></tr>
<tr><td>CHDO Operating Supplement
If an applicant is applying for CHDO Operating Supplemental Funding, please submit the required CHDO workbook, and required documents and complete D1-CHDO Operating Supplement.
Please see the policies on the maximum allowable CHDO Operating as outlined in Section 5.5 of this policy.</td><td>Tab O_CHDO, Application</td></tr>
<tr><td>Homebuyer Counseling
Completion of homebuyer counseling is not required at time of application.
The application however should provide a narrative describe the counseling services applicants will be provided to homebuyer.</td><td>Tab P_Homebuyer Counseling</td></tr>
</table>

Displacement • Although permanent displacement may not be anticipated, a housing activity may still incur temporary or economic displacement liabilities. The Uniform Relocation Act contains specific requirements for HOME assisted units involving displacement and/or acquisition. For further explanation of the URA requirements see Chapter 4 of the IHCDA CDBG and HOME Program Manual and its Exhibits for additional guidance and copies of the required notices. • Please complete the applicable Tabs of the Application Form (D3-Displacemnet Assessment; D4-Displacement Plan and D5-Displacement Affidavit).	Tab Q_ Displacement, Application
Visitability Mandate • Any development involving the new construction of single-family homes, duplexes, triplexes, or townhomes must meet the visitability mandate as specified under Section 7.2. Visitability is defined as design concepts that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence.	Application
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 or Title VI of the Civil Rights Act of 1964 (Title VI) assistance in order to receive a particular service, benefit, or encounter. • Please list or describe in the narrative section of D6-LEP, the actions taken or that will be taken by recipients to ensure meaningful access by LEPs to the project and/or activities being funded with HOME funds.	Application
Lease Purchase If proposing a lease-purchase program, the following documentation must be included: • Documentation of housing counseling services or financial empowerment services to be made available to the potential homebuyer • Lease-Purchase Policy • Draft Lease-Purchase Agreement • Timeline to sell unit within the federal timeframe	Tab S_Lease-Purchase

Part 10: Scoring

If an application meets all applicable requirements, it will be evaluated and scored based on:

Scoring Category	Points Possible
Development Characteristics	26
Development Features	32
Readiness	8
Capacity	21
Leveraging of Other Sources	7
Bonus	5
Total Possible Points	**99**

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 **48 points** to be considered for funding.

10.1 Development Characteristics — Category Maximum Points Possible: 24

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 Quality 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
- Survivors 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 10,000 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 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 a map in **Tab R_Project Characteristics** including:

- 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 sites 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 (here). 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 counites. For scattered site developments, at least 757% 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 75% of the proposed units must meet this requirement to be eligible for points.

  To be eligible for points in this category, the employer must be listed when searching for the county's top 25 employers. However, IHCDA reserves the right to determine on a case-by-case basis the eligibility of branches or other locations with addresses not specifically listed in the search results (e.g., bank branches, medical offices, etc.).

  In order to receive points for this scoring subcategory, the applicant must submit in **Tab R - Project Characteristics**:

  i. For single sites: A five-mile radius drawn from the project location with the location of qualifying employers labeled
  ii. 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 at https://www.census.gov/quickfacts/fact/table/US/PST045221. 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 https://www.census.gov/quickfacts/fact/table/US/PST045221. 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	.5
Low	0

3) *Health and Quality of Life Factors* *Maximum Number of Points: 10*

Applicants may earn up to 6 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. https://www.countyhealthrankings.org/app/indiana/2020/measure/factors/4/data (For scattered site developments, at least 50% of the proposed units must meet this requirement to be eligible for points.

- **Life Expectancy** (2 points): Points will be awarded to developments located within a census tract that has a life expectancy above the State average of 77.4 years based on the Centers for Disease Control and Prevention (CDC).

- **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 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 a map in **Tab R_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 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	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 R_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.

4). Post-Purchase Counseling *Maximum Number of Points: 2*

Two points will be awarded for applicants who elect to ensure the homebuyer receives post-purchase counseling in addition to pre-purchase counseling. Documentation of the post-purchase counseling must be provided at time of closeout.

10.2 Development Features **Category Maximum Points Possible: 30**

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 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.

2) Provision of Additional Bedrooms *Maximum Number of Points: 5*

Points will be awarded to developments where at least 50% of the HOME assisted units contain three or more bedrooms.

Provision of Additional Bedrooms	Points
50% or more units contain 4 or more bedrooms	5
50% or more units contain 3 or more bedrooms	3

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.

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 in ALL units	1
Roofing system has at least a 30-year warranty (must provide supporting documentation from the manufacturer to qualify) in ALL units	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 for ALL units	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
Play areas designed in accordance with ADA Guidelines	1
Community room	1
All entrances are non-step entrances for ALL units	2

4) HERS Rating *Maximum Number of Points: 5*

Points will be awarded where at least 50% of units meet a HERS rating of 65 or lower. Administrators will be required to provide a Certified HERS report with closeout.

HERS Rating	Points
50% or more units have HERS rating at 55 or lower	5
50% or more units have HERS rating at 65 or lower	3

5) 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 at time of inspection.. The applicant will be awarded points as follows:

Number of Universal Design Features in Each Column	Points
5	5
4	4
3	3

6) Green Building *Maximum Number of Points: 7*

Up to seven 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
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
Ultra low flow toilets (1.20 or less gallons per flush) or dual flush toilets	1
R-Value insulation exceeding Indiana State Building Code	1
Recycle deconstructed building material	1
Install Energy Star certified roof products	2
Incorporate permeable paving	2
Install high-efficiency, tank-less water heaters	2
Use on-site solar energy to reduce resident utility costs	2
Energy Star certified windows	2
Energy Star certified appliances. For new construction, all appliances must be Energy Star certified. For rehab, all replacement appliances must be energy Star certified.	2
Energy Star certified HVAC system	2

10.3 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 K_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 submission.* *•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* • *Dated, updated, or amended within 10 years prior to the application deadline date* • *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), collectively XBEs.

An additional two points will be available to applicants with an Indiana XBE entity serving as a formal member of the project's development team. An applicant that is certified as an Indiana XBE is also eligible for points in this category.

In order to receive points for contractor solicitation, the applicant must submit in **Tab K_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 Application;
- A letter of intent to participate in the project must be submitted by the qualifying development team member in **Tab K_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
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	https://www.in.gov/indot/doing-business-with-indot/equity-initiative-services/DBE-directory/
VOSB	U.S. Department of Veterans Affairs	https://www.vetbiz.va.gov/
SDVOSB	U.S. Department of Veterans Affairs	https://www.vetbiz.va.gov/

10.4 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.

1) *Certifications* *Maximum Number of Points:* 3

Points will be awarded for a member of the development team (as listed in the Development Team Member section of the HOME Homebuyer Application Form) 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
CHDO Executive Training (Must have graduated)	Indiana Housing and Community Development Authority
Housing Development/Rental Housing Development Finance Professional	National Development Council (NDC)
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)/Indiana Builder's Association

2) *Overall IHCDA Award Performance of the Applicant* *Maximum Number of Points:* *5*

Applicants with an IHCDA award monitored 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.

An applicant will be eligible for five points if their award had 0 findings.
An application will receive two points if either:

- The applicant has completed an IHCDA HOME award that had 1 finding in the closeout monitoring; or,
- If the applicant does not have IHCDA HOME experience if the award administrator has completed an IHCDA HOME award that had one or less findings on the closeout monitoring.

IHCDA will determine points based on the most recent HOME award to be closed out. IHCDA will review awards closed out within five years of the submission of the application.

3) *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) 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. It is not required that the award have been monitored and closed out. If the project has completed and passed its final inspection with no outstanding findings, and If the only outstanding claim for an award is its final retainer it will be considered fully expended for purposes of this scoring category.

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) completed by the award expiration date.	5

4) *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 the applicable project's inspection report

IHCDA will first review the applicant or administrator's most recent standalone HOME award that was inspected in the past five years.

If an application did not undergo an interim inspection per IHCDA policy on a previous award, they will not be eligible for points under this category.

5) *Applicants or Administrators with Non-IHCDA Experience* *Maximum Number of Points: 3*

Applicants or Administrators without a previous monitored IHCDA award in the past five years that 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.

6) *CHDO Certification* *Maximum Number of Points:* 3

An applicant that applies and is certified as a Community Housing Development Organization will receive three points.

The CHDO application must be submitted in Tab O_CHDO.

10.5 Leveraging of Other Sources — Category Maximum Points Possible: 7

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, tax exemptions or abatements, in-kind donations for labor or professional services, sweat equity, donated material and equipment. Funds structured as loans must have below market interest rates. Only permanent loans, not short-term loans such as construction or bridge loans, will qualify in this category. 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

CHDOs using CHDO Proceeds as part of the project financing will be eligible for one additional point. Please note that CHDO Proceeds are ineligible as match.

To receive points in this category, the applicant must submit the following in **Tab M_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.
- Donated Property – Land and building values must be supported by an independent, third-party appraisal. The value counted as leverage is the difference between the appraised value and the purchase price. 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.

9.6 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 Drive site); 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 11: 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 8.2 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 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.
- Each hallway on the first floor has a width of at least 36 inches and is level, with ramped or beveled changes at each door threshold.
- Each bathroom on the first floor is reinforced for potential installation of grab bars.
- Each electrical panel or breaker box located inside on first floor, light switch, or thermostat is not higher than 48 inches above the floor, and,
- Each electrical plug or receptacle is at least 15 inches above the floor.

Part 12: Development Fund

12.1 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.

12.2 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") or HOME applications through the HOME 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.

12.3 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.

12.4 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.**

12.5 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.

12.6 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.

12.7 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**.

12.8 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.

12.9 Loan Terms

The base interest rate for loans is 1.5%.

12.10 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.

12.11 Income Restrictions

All Development Fund-assisted units in residential developments must be income 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.

12.12 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

2023 HOME Rental Construction Policy – Summary of Changes

- Clarification of Section 504 Requirements for Accessibility – 5% of units, at least 1 unit, to be accessible for persons with mobility disabilities. 2%, at least 1 unit, to be accessible for persons with hearing or visual disabilities.
- Inclusion of a Relocation Plan – Applications for rehabilitation of existing housing must identify the expected displacement of any tenants and provide a relocation plan and budget.
- Plans not eligible under Comprehensive Community Plans:
    - Short-term work plans, including Stellar Communities Strategic Investment Plans
    - Consolidated plans, municipal zoning plans, or land use plans
    - Plans that do not reflect the current neighborhood conditions
    - Planned Unit Developments (PUDs)

HOME Investment Partnerships Program
Rental Construction Policy - Program Year 2023

SUMMARY

The purpose of the HOME Investment Partnerships Program (HOME) rental construction program is to provide subsidies in the form of grants for the acquisition, rehabilitation, and/or new construction of rental housing for low-income households. Through this program, the Indiana Housing and Community Development Authority (IHCDA) seeks to create or preserve affordable housing options for Indiana renter households.

This Policy applies to allocations of HOME funding during the 2022 Program Year (July 2023—June 2024) for the purposes of rental construction. This document is not applicable to allocations of HOME Homebuyer or HOME funds used as gap for Rental Housing Tax Credit projects.

The HOME Rental Policy sets forth:

1) the role of the Indiana Housing and Community Development Authority ("IHCDA") in administering the HOME program for rental construction;
2) IHCDA's development goals based on housing needs throughout the state;
3) minimum threshold requirements which all Applicants and Developments must meet in order to be considered for HOME Financing; and
4) the evaluation factors IHCDA will use to score applications.

Contents

Available Online

IHCDA HOME Program Webpage

Part 1: Application Process

1.1 Funding Priorities:

IHCDA's goal is to fund developments that:

1) Demonstrate they are meeting the needs of their specific community;
2) Serve extremely low-income and very low-income households;
3) Demonstrate capacity and readiness to proceed;
4) Contribute to community revitalization;
5) Promote aging-in-place and accessibility strategies to provide independent living for seniors and persons with disabilities;
6) Utilize energy-efficient and high-quality design features, within a reasonable cost structure; and
7) Include certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE), Veteran-Owned Small Business (VOSB), and/or Service-Disabled Veteran Owned Small Business (SDVOSB) contractors and development team members.

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

This anticipated schedule is subject to change or extension. Any changes to these dates will be announced via a RED Notice.

Application Available / Round Begins	January 19, 2024
Application Webinar	February 7, 2024
CHDO Certifications Due	February 19, 2024
Application Due Date	March 18, 2024
Tentative Award Announcements	June 27, 2024

1.4 Application Webinar

An application webinar will be conducted with the confirmed date and registration link to be announced via RED Notice. During the webinar, IHCDA staff will describe the requirements of the HOME program, threshold and scoring criteria, how to complete the required forms, and how to submit the application documents. Organizations intending to apply are strongly encouraged to attend.

1.5 Technical Assistance

An Applicant may request a technical assistance meeting with their regional IHCDA Real Estate Allocation Analyst to discuss the proposed project and IHCDA's application process.

1.6 Application Submission

The Applicant must submit the following items:

- Via IHCDA's OneDrive site:
  - CHDO Application Workbook and supporting documentation (if applying for CHDO Certification)
  - Completed copy of the HOME application form in both Excel and PDF formats

- All supporting documents as separately labeled PDF documents under the required labeled tabs. (Do not send one PDF combining all supporting documentation.)
- Signed Environmental Review Record, in PDF format

- Via IHCDA's Online Payment Portal

  Application fee of $500. All fees must be paid through the IHCDA Online Payment Portal.

  Exception: Applicants that are pre-certified as CHDOs as described in Section 5.1 are not required to submit application fees.

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.

All required application items are due by 5:00 p.m. Eastern Time on the due date. Applications and documentation 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 Allocation Analyst as soon as possible.

If IHCDA staff are unable to open or view submitted electronic documentation due to file corruption, incompatible file types, etc., staff will enlist IT support to remedy the issue. If the issue cannot be resolved, the Applicant will not be allowed to submit new or updated documents and the application will be reviewed as if the documents in question were not submitted. This may result in the application failing threshold and/or not receiving points in a scoring category.

Instructions on how to utilize OneDrive will be provided during the application webinar.

- 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 their application. (Applicants may not set up folders in OneDrive themselves.)
- Applicants must notify the Real Estate Department Coordinator and their regional Real Estate Allocation 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 delayed review or disqualification of the application.
- Applicants should notify the Real Estate Department Coordinator to add or change information for the contact person for communications regarding its application.

Applicants must retain a copy of the application package submitted to IHCDA. Applicants that receive funding will be bound by the commitments made therein.

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 – Initial Review	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 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 IHCDA's letter identifying necessary corrections and clarifications, or if the applicant's response does not address all concerns, the application may be disqualified. For definitions of threshold deficiencies and clarifications, please consult the glossary at the end of this policy. After initial scoring 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 impact final score or result in application denial. Supporting documentation for scoring categories will not be accepted after the initial application submission.
Step Three – Final Review	IHCDA will review the response to the initial threshold and scoring reviews. Final determination on threshold items and final score will be made. No other correspondence with the application will occur until award recommendations are made.

Awards will be announced at the published IHCDA board meeting and award or denial letters and final score sheets will then be uploaded to OneDrive. Applications not funded will not automatically be rolled over into the next funding round, however, the applicant may choose to resubmit.

1.8 Minimum Score Requirement
An application must score at least 50 points to qualify for funding.

1.9 IHCDA HOME & HTF Program Manual

The IHCDA *HOME & HTF Program Manual* outlines the requirements for administering an IHCDA HOME award. A copy of the Manual is available on IHCDA's compliance webpage.

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 provide additional information to help applicants complete the mandated environmental review. These documents can be found on IHCDA's environmental review webpage.

1.11 IHCDA Waiver Policy

IHCDA will consider requests for waivers of the IHCDA Per Unit Subsidy Limitations found in Section 5.1. However, IHCDA cannot approve a waiver request that would exceed HUD's federal Per Unit Subsidy Limitations. Waivers requesting a total HOME award in an amount above the established per project award limit 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:

- A detailed description as to why the Applicant needs a waiver of the Per Unit Subsidy Limitations
- A development budget
- Any additional information the Applicant would like IHCDA to consider with the request

IHCDA does not accept waiver requests for any federal HOME regulation or scoring requirements.

1.13 Development Fund

Applicants may apply for Development Fund loans in conjunction with their HOME application. Applicants must identify an alternate source of funding to be used in the case that the Development Fund application is denied or Development Fund is not available.

Additional information on Development Fund may be found in Part 10.

Part 2: Eligible Applicants

2.1 Eligible Applicants

Eligible applicants are limited to the following:

- Local units of government (cities, towns, or counties) located within Indiana, except in the excluded Participating Jurisdictions listed below
- Community Housing Development Organizations (CHDOs)
- 501(c)3 and 501(c)4 nonprofit organizations
- Public Housing Agencies (PHAs)
- Joint Venture Partnerships

For-profit entities are not eligible to apply.

Applications from, or housing activities proposed to be located within, the following Participating Jurisdictions are **NOT** eligible to apply for IHCDA HOME funds:

Bloomington	Hammond	Lake County
Evansville	Indianapolis/Marion County*	Muncie
Fort Wayne	Lafayette Consortium**	South Bend Consortium***
Gary		

*Except for the cities of Beech Grove, Lawrence, Speedway, and Southport. Applications for projects to be located in the Town of Cumberland are eligible when the housing activity is outside of Marion County.

**Lafayette Consortium consists of the City of Lafayette, the City of West Lafayette, and the unincorporated areas of Tippecanoe County. Other incorporated areas in Tippecanoe County are eligible to apply.

***South Bend Consortium consists of the City of South Bend, the City of Mishawaka, and the unincorporated areas of St. Joseph County. Other incorporated areas in St. Joseph County are eligible to apply.

2.2 CHDO Applicants Proposing Projects Located in Certain Participating Jurisdictions

CHDOs may apply for IHCDA HOME funding if the proposed project is in a Participating Jurisdiction that receives less than $500,000 of HOME funding within IHCDA's HOME Program Year. At the time of publication, the Participating Jurisdictions that qualify are:

Anderson	East Chicago	Terre Haute

To be eligible, the Applicant must have received a preliminary commitment of HOME funds from the Participating Jurisdiction for the project for which they are 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.

2.3 Ineligible Applicants

Any entity currently on a federal debarment list, on IHCDA's suspension or debarment list, or in default on an IHCDA loan is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in Chapter 17 of the IHCDA *HOME and HTF Program Manual*.

Additionally, IHCDA does not fund requests from:

- Individuals
- Political, social, or fraternal organizations
- Institutions that discriminate, in policy or in practice, on the basis of race, color, national origin, sex, religion, familial status, disability, ancestry, sexual orientation, gender identity, or against victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking

2.4 Religious and Faith-Based Organizations

- *Equal treatment of program participants and program beneficiaries.*
    - *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

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. 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 acquisition or demolition.

Eligible activities include:

- Rehabilitation, new construction, 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 to be shared by tenants. SRO housing does not include facilities for students. Rent limits for SRO units are treated differently than rent limits for other HOME-assisted units. Please see Part 3.2 B of IHCDA's *Federal Programs Ongoing Rental Compliance Manual* for additional instructions.
- Rehabilitation of Rental Housing Tax Credit (RHTC) developments with compliance periods that have expired prior to the due date for this application. RHTC developments still in the 30-year extended use period are eligible to apply for HOME funds, assuming the initial 15-year federal compliance period has expired.
- Rehabilitation of existing HOME developments with HOME affordability periods that have expired prior to the due date for this application.
- Manufactured/mobile homes are eligible only if they meet all the following standards 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
  - A unit that was constructed after January 1, 1981
  - A unit that 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
  - A unit that has wheels, axles, and towing chassis removed
  - A unit that has a pitched roof
  - A unit that is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary

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
- Homebuyer development

- 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 in accordance with the Qualified Allocation Plan.
- Any housing activity funded under Title VI of NAHA, prepayment of mortgages insured under the National Housing Act, 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
- Any other activity not specifically listed as an eligible activity in Section 3.1 above

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, CDBG Program Manual here.

Recipients must comply with all regulatory requirements listed in 24 CFR Part 92.

Applicants should familiarize themselves with IHCDA's HOME, HTF, CDBG 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, including sole proprietorships. Firms cannot 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 in a lead-safe manner.
    - All associated individuals must also be trained. They may either be certified renovators (meaning they successfully completed the accredited training) or they may 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. Section 504 requires 5% of the dwelling units, or at least one unit, whichever is greater, to be accessible for persons with mobility disabilities. An additional 2% of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. 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 for guidance on Affirmative Marketing Procedures.

- **Section 3**:
  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 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 nonprofit 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 nonprofits (i.e. Housing or Redevelopment Authorities and public agencies) may not act as Developers and must competitively procure.
  - If the nonprofit recipient is acting as a developer, competitive procurement standards are not required. To be considered a nonprofit developer, the nonprofit must meet the following criteria:
    - Must have site control (either through ownership or lease) of the property;
    - Must be in sole charge of the development processes – (not simply acting as a contractor) - including:
      - 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
      - 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 here.
- 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. Project timelines should be planned accordingly.
- The Applicant will receive their HOME award documents only after the Applicant has been allowed to publish a public notice and when the Release of Funds process is complete and will be allowed to draw funds only after the HOME award documents have been fully executed.
- 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 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 HOME 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 information will be indicated on the FEMA map), the potential adverse impacts of being directly adjacent to a flood prone area must be minimized. Therefore, the Applicant must demonstrate to IHCDA that 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. These design modifications include:
  - Flood minimization techniques such as 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 the project involves new construction and has either mapped wetlands or potential wetlands, the project is not eligible for IHCDA funding. If the 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, project alternatives must be considered, 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 for 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
    - 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 do not speak English as their primary language and persons 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 for Rehab:**
  - Projects performing the rehabilitation activity must complete and provide a Capital Needs Assessment (CNA) along with the application.

- **Initial Inspection for Rehab:**
  - Upon receipt of an application proposing rehabilitation (regardless of number of units), IHCDA will conduct an initial inspection that verifies the deficiencies that must be addressed during rehabilitation to ensure the units will meet HOME requirements at completion. This inspection will occur prior to IHCDA making a funding recommendation.

- **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://online.ihcda.in.gov/ 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

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 eligibility 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 of Compliance 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 US 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. 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 if the new owner does not agree to remain in compliance with the HOME Award Agreement and HOME regulations for the duration of 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 of Compliance are no longer being submitted to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; or
6) Non-compliance with the HOME 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: CHDOs

A Community Housing Development Organization (CHDO) is a private, community-based nonprofit organization whose primary purpose is to develop affordable housing for the community it serves. To be recognized as a CHDO, an organization must meet the requirements pertaining to the legal status, organizational structure, capacity, and experience as set forth in 24 CFR 92.2, and be certified by IHCDA. Part 5.1 outlines IHCDA's CHDO certification process.

Organizations that are certified as CHDOs are eligible to request up to $1,500,000 of HOME rental funding as well as CHDO Operating and Predevelopment funds.

4.1 IHCDA CHDO Set-Aside

IHCDA must allocate at least 15% of its HOME funds for CHDO projects.

4.2 CHDO Eligible Activities

Rental 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 owns, develops, or sponsors the project.

CHDOs must be certified by IHCDA as a CHDO prior to submission of a HOME rental application and identify which of the three roles the CHDO will undertake with the project:

- The CHDO "**owns**" the project 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 project 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 project through one of two processes:
  - Rental housing is developed by a CHDO affiliate, defined as a CHDO's wholly owned subsidiary (nonprofit 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 nonprofit. 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 government 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 prior to submitting a HOME rental application. The CHDO application can be found as a separate document on the IHCDA website here.
- Treatment of Program Income by a CHDO:
  - Proceeds generated from a 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 applicant requesting CHDO funding must:
  - Be certified as CHDO by IHCDA prior to submitting the HOME Rental Application
  - Complete the CHDO-related sections in the HOME Rental Application Form, including describing how low-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.

4.4 CHDO Operating Supplement

A CHDO may apply for a CHDO Operating award in an amount not to exceed $50,000[1] along with their capital funding request in a HOME rental funding round. However, a CHDO may not receive more than $50,000 in CHDO Operating funds for new projects within one program year. The HOME program year is July 1 through June 30.

A CHDO that has already received a CHDO Operating award for a project funded within the previous two HOME program years is eligible to apply for a second CHDO Operating award of up to $25,000 if they meet the following criteria:

- Began construction within the 12 months of receiving the executed HOME Award Agreement;
- Have drawn a minimum of 25% of the IHCDA HOME award; and
- Have drawn 100% of the original CHDO Operating award.
- A CHDO may not receive more than $75,000 in total CHDO Operating awards within one program year.

Eligible CHDO Operating 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 Benefits
- Taxes
- Travel
- Utilities

[1] However, the CHDO Operating award cannot exceed 50% of the CHDO's total annual operating expenses within one program year.

4.5 CHDO Predevelopment Loans

CHDOs are eligible to request up to $30,000 in project-specific predevelopment loans. 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 funds through a separate application process. Overview and application process for the CHDO Predevelopment funds can be found here.

The following limitation applies to CHDOs requesting Predevelopment Loans:

> The CHDO may not have more than five currently open or pending CHDO Predevelopment Loans, including the loan being requested.

Please contact your Real Estate Allocation 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 **February 19, 2024.** 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 the following per unit subsidy limits:

For units designated as 50% AMI income and rent limits or higher:

Bedroom Size	Per Unit Subsidy Limit
0	$104,000
1	$121,000
2	$139,000
3	$170,000
4+	$185,000

For units designated as 40% AMI income and rent limits or lower:

Bedroom Size	Per Unit Subsidy Limit
0	$130,000
1	$152,000
2	$174,000
3	$210,000
4+	$232,000

Budget Limitations

- HOME funds cannot be used for replacement reserves or operating reserves.
- HOME funds budgeted for developer fee cannot exceed 15% of the HOME award.
- HOME funds budgeted for soft costs, including environmental review and developer fee, 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 may not be limited to, the HOME award agreement and a lien and restrictive covenant agreement.

5.3 Eligible Activity Costs

The bolded items listed below are included in the application budget. Questions about specific line items and expenses may be directed to the IHCDA Real Estate Allocation 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 FEE – Developer fees are only available with HOME funded activities and cannot exceed 15% of the HOME award. Additionally, the total of developer 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 the Environmental Review/Section 106 User's Guide.

LEAD HAZARD TESTING – Costs associated with lead hazard testing include 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 Construction Manager as Constructor

SOFT COSTS – Soft costs are those costs that can be directly tracked by address. They include costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with developer fee and environmental review cannot exceed 20% of the HOME request. Recipients are allowed to draw down this line item as costs are incurred.

Eligible costs include:

- Appraisals
- Builder's 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
- Pay-off of a HOME CHDO Predevelopment or Seed Money loan
- 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 are eligible. Off-site connections from the property line to the adjacent street are eligible when existing infrastructure is deficient and 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 Construction Manager as Constructor

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 finance 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

HOME Program Income is gross income received by the participating jurisdiction (IHCDA), state recipient (local unit of government) or an IHCDA HOME sub-recipient directly generated from the use of HOME funds or matching contributions.

Income generated by a CHDO acting as an owner, sponsor, or developer of HOME units may be retained by the CHDO, 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 and must be returned to IHCDA.

Income generated by non-CHDOs acting as developers of HOME units may be retained by the developer and is not subject to HOME Program requirements.

More complete definitions and rules regarding Program Income can be found in IHCDA's HOME Program Manual.

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 an 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 more restrictive.
- If an SRO-unit has neither food preparation nor sanitary facilities, or only one of these, 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 an 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 rental 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.

If the underwriting is outside these guidelines, the applicant must provide a detailed written explanation with third party documentation supporting the explanation. (Approval of underwriting from other financing institutions/funding sources will not constitute acceptable supporting documentation.) IHCDA will issue a separate threshold deficiency for each item that is outside of the underwriting guidelines.

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.

For developments with Project Based Vouchers, cash flow (minus any acceptable reserve amounts) cannot exceed 10% of 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%. Exception: Applications with Section 8 Project Based Rental Assistance (PBRA), Project Based Vouchers (PBV), or Section 811 Project Rental Assistance (811 PRA) on 20% or more of the total units must use a vacancy rate of 4-7%.

RENTAL INCOME GROWTH – All developments must be able to underwrite with a rental income growth of 2% per year.

OPERATING RESERVES – The greater of (1) at least four months of projected expenses including operating expenses plus debt service payments and replacement reserve payments; or (2) $1500 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- age-restricted	$250
New Construction- non-age-restricted	$300
Single family units	$420
Historic rehab*	$420

* 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 of 3% per year.

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 for Duration of Affordability Period
Large or Small City	1.15 – 1.45
Rural	1.15 – 1.50
Project Based Vouchers (any location)	1.10 – 1.45

- 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 debt will not have a debt coverage ratio but will be required to have sufficient cash flow. 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.

TAXES AND INSURANCE – Applicant must submit 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). If a tax exemption is not yet approved by the time the application has been submitted, the project must be underwritten with taxes included.

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. Responses to these narrative questions are necessary, but 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

- 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 responses are due on or before the date provided by IHCDA staff.
- Any forms that are late will be denied review.
- Applications with five or more threshold deficiencies will fail threshold and be removed from consideration unless funds are available after all applications that pass threshold are funded.

7.2 Threshold Requirements

Completeness	Location
Application and Supporting Documents • Submit the fully completed HOME Rental application in both Excel and PDF formats. • Submit all required supporting documents via OneDrive. Do not submit paper copies of the application or any other supporting documents. Applicants may be issued a Threshold Deficiency for using outdated forms from previous rounds.	Uploaded to OneDrive
Threshold	**Location**
CHDO Applicants Proposing Projects in Selected Participating Jurisdictions • If a CHDO is proposing a project located in a selected participating jurisdiction as described in Section 2.2, 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://sam.gov/SAM/	Tab A - SAM Status
Debarment Information • All entities identified in the application must not be on a federal debarment list, IHCDA's suspension or debarment list, or in default on an IHCDA loan. • Applicant must agree not to select any contractors or subcontractors on the federal debarment list or IHCDA's suspension or debarment list.	Application

Grievance Procedures • Submit applicant's Grievance Procedures. Grievance Procedures must apply to both current and prospective tenants (e.g., applicants) 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 must be written and made 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 that all HOME-assisted units will serve households at or below 60% of the area median income for the county. • For developments with 5 or more HOME-assisted units, at least 20% of the HOME-assisted units must serve households at or below 50% AMI.	Application
Nonprofit Applicant Documentation (if applicable) • IRS determination letter for 501(c)3 status • Certificate of Existence from the Indiana Secretary of State	Tab E- Nonprofit
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 and income statement.	Tab O -Capacity
Owner Authorization (if applicable) • If the applicant is different from the proposed owner of the development, provide a letter from the owner authorizing the applicant to apply for funding on behalf of the owner.	Tab F - Notifications

Administrator Documentation (if applicable)
• If the applicant has hired an administrator, provide documentation demonstrating that the administrator has been properly procured using the Competitive Negotiation Procedure (RFP).
  • Submit a copy of the Request for Proposals (RFP).
  • Submit the published advertisement for the RFP that was placed 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 the 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. o 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.	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.	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 either:
    • A purchase option or purchase agreement that expires no less than 30 days subsequent to the award announcement date; or
    • An executed and recorded deed.
	Tab I - Readiness

Unit and Floor Plans • Unit plans must include the square footage for each type of unit. • Floor plans must show the location of common areas and units and indicate the exact placement of accessible and adaptable units. • Plans 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, and any amenities
  ○ Location and size of any proposed commercial areas
  ○ Scaled drawing elevations for all building types. Exception: Rehabilitation projects may instead submit renderings or photographs if they are accompanied by an architect's certification that elevations will not change.
	Tab I - Readiness

Relocation Plan • Applications for rehabilitation of existing housing must identify if any tenants are expected to be displaced and submit a relocation plan and budget.	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 appropriate, authorized government official (e.g., zoning commission) 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 rehabilitation developments a Capital Needs Assessment is required.	Tab I - Readiness
Rehabilitation- Scope of work covers all work identified in initial inspection • For any application proposing rehabilitation, IHCDA will conduct an initial inspection to verify the deficiencies that must be addressed during rehabilitation to ensure the units will meet HOME requirements at completion. Additional information must be provided if requested after completion of the initial inspection.	If requested by IHCDA

Environmental Review • Submit completed environmental review forms. Instructions and forms can be found in the Environmental Review/Section 106 User's Guide. • 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
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.	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. Complete the sources and uses tab in the application.	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. • If the project is utilizing funding committed more than one year prior to the application due date, Applicant must provide a letter confirming that the funds are still available and accessible to the Applicant.	Tab L - Financial Commitments
CHDO Operating Supplement • If applying for a CHDO Operating Supplement, Section F of the Sources and Uses tab and the CHDO Operating Supplement tab in the Application Forms must be completed.	Application
Rental Proforma • Complete the Rental Proforma tab in the IHCDA HOME Rental Application Forms.	Application

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.
	Tab L- Financial Commitments

<table>
<tr><td>Age-Restricted Developments

New Construction:

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

Rehabilitation without elevator:

All common areas on the main floor must be accessible.
100% of the ground floor units must be Type A or Type B in accordance with Chapter 10 of the ICC A117.1.

Rehabilitation that contained elevators prior to rehab

The elevators/lifts must be maintained.
All common areas must be accessible.
100% of the units must be Type A or Type B in accordance with Chapter 10 of the ICC A117.1.

</td><td>Application</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 an Indiana licensed appraiser 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.

An appraisal is also required at time of application if the applicant is requesting IHCDA Project Based Vouchers (PBV), even if not using HOME funds for acquisition.
</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:
    o One Form C: Tenant Investment Plan Matrix listing all services for the entire proposed project (found in the HOME Application Additional Documents Folder);
    o 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 here. • 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 may be made to these selections, so long as the total number elected at application is maintained.	Application
Application Submission Resolution • All nonprofit applicants 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: o One HOME Application Submission Resolution signed by the Applicant's Board of Directors (found in the HOME Application Additional Documents Folder) • All local unit of government applicants for IHCDA Funding must submit a resolution approved by the highest local unit of government.	Tab F - Notifications

Smoke-Free Housing All Developments must commit to operate as smoke-free housing and to use IHCDA's Smoke-Free Housing Lease Addendum (Compliance Form #50). Smoke-free includes electronic cigarettes and vaping as forms of prohibited smoking. The Applicant must make one of the following elections on the Application Form: • Designate the entire property as smoke-free; or • Establish a designated smoking area on the property. A designated smoking area must not be within 25 feet of any buildings. Smoking must be prohibited in individual units and all interior common space. For preservation of existing housing that currently allows smoking, the smoke-free policies must be implemented no later than the rehabilitation completion date. IHCDA recommends the American Lung Association of Indiana's "Smoke Free Housing Toolkit" as a resource for creating a smoke-free housing policy. See http://insmokefreehousing.com for more information.	Application

Part 8: Scoring

If an application meets all applicable requirements, it will be evaluated and scored based on:

Scoring Category	Points Possible
Project Characteristics	32
Development Features	30
Readiness	10
Capacity	11
Leveraging of Other Sources	6
Total Possible Points	**89**

When there is a scoring criterion based on the county being served and the proposed development is in 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 50 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: 32**

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 units designated at or below 40% AMI; **OR**	3
20% of units designated at or below 30% AMI	5

2) *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.

Percentages are calculated using the number of total units, including units that are not HOME-assisted.

Target Population- Choose One Option	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 at least one of 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* • Survivors of domestic violence* • Abused children* • Persons experiencing homelessness* • Single parent households (including single grandparents or guardians) • Veterans 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 these target populations 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

In order to receive points under Option 1 above, developments must satisfy the following criteria. The originally signed HOME application will serve as certification that the development will comply with these requirements.

New Construction:

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

For Rehabilitation or Adaptive Reuse developments without elevators:

- All common areas on the main floor must be accessible.
- 100% of the ground floor units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1

For Rehabilitation or Adaptive Reuse developments that contained elevators prior to rehabilitation:

- The elevators/lifts must be maintained.
- All common areas must be accessible.
- 100% of the units must be Type A or Type B units in accordance with Chapter 10 of the ICC A117.1.

3) *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. 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 less than 10,000, 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 sites 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. 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.

  To be eligible for points in this category, the employer must be listed when searching for the county's top 25 employers. However, IHCDA reserves the right to determine on a case-by-case basis the eligibility of branches or other locations with addresses not specifically listed in the search results (e.g., bank branches, medical offices, etc.).

  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 at https://www.census.gov/quickfacts/fact/table/US/PST045221. 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 https://www.census.gov/quickfacts/fact/table/US/PST045221. 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

4) Health and Quality of Life Factors *Maximum Number of Points: 10*

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. https://www.countyhealthrankings.org/app/indiana/2020/measure/factors/4/data) (For scattered site developments, at least 75% of the proposed units must meet this requirement to be eligible for points.

- **Life Expectancy** (2 points): Points will be awarded to developments located within a census tract that has a life expectancy above the State average of 77.4 years based on the Centers for Disease Control and Prevention (CDC).

- **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 one-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
Park or public greenspace	1
Primary care physician or urgent care facility	1
Pharmacy	1
Sidewalks or Trails	.5
Clothing, department store	.5
Bank	.5
Education facility	.5
Licensed childcare facility	.5
Social service center	.5
Government office (e.g. town hall, trustee's office)	.5
Post Office	.5
Public Library	.5
Cultural arts facility	.5

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

5) 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 IHCDA 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: 30**

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 link 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 new construction:

- Existing agricultural land; 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, cement board, or insulated metal panels)	1
Roofing system has at least a 30-year warranty (must provide supporting documentation from the manufacturer to qualify) for ALL buildings	1
Covered Porch at the front entrance for ALL buildings	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 for ALL buildings	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 for ALL buildings where possible	1
Exterior security system (e.g., cameras monitoring building exterior and lighting that provides coverage of the entire property) for ALL buildings	1
Interior security system (e.g., each unit is provided with an alarm on entry doors or a doorbell monitoring system) for ALL buildings	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 for ALL buildings	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.

The Applicant will be required to submit the Universal Design Features Form identifying the number of features to which the applicant has committed. Changes to intended selections can be made so long as the total number is maintained. The application will be awarded points as follows:

Number of Universal Design Features in Each Column	Points
5	5
4	4
3	3

7) *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	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
Ultra-low flow (1.00 gallons or less 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
Energy Star certified appliances. For New Construction, all appliances must be Energy Star certified. For Rehab, all replacement appliances must be Energy Star certified.	2
Energy Star certified HVAC system	2
Use on-site solar energy to reduce resident utility costs	2

8) 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. Outdoor common areas, such as dog parks or gazebos, are not eligible.	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 development'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: 10**

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.*	1
Property Survey *Provide an electronic copy of the property survey.*	1
CHDO Predevelopment Loan *Applicants with a CHDO Predevelopment Loan for the current HOME application are eligible for two points.*	2

2) *Comprehensive Community Plan* *Maximum Number of Points: 2*

Points will be awarded to applicants who submit ONE community plan for each jurisdiction that meets all of the following criteria.

- Specific references to the creation of or need for housing
- Dated, updated, or amended within 10 years prior to the application deadline date
- Public participation and narrative about the efforts leading to the creation of the plan
- A target area map with the proposed development site(s) labeled
- Resolution showing adoption by the highest local unit of government

The following plans are not eligible:

- Short-term work plans, including Stellar Communities Strategic Investment Plans
- Consolidated plans, municipal zoning plans, or land use plans
- Plans that do not reflect the current neighborhood conditions
- Planned Unit Developments (PUDs)

3) *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, 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), collectively XBEs

Two points will be available to applicants with an Indiana XBE entity serving as a formal member of the project's development team. An Applicant that is certified as an Indiana XBE 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
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	https://www.in.gov/indot/doing-business-with-indot/equity-initiative-services/DBE-directory/
VOSB	U.S. Department of Veterans Affairs	https://www.vetbiz.va.gov/
SDVOSB	U.S. Department of Veterans Affairs	https://www.vetbiz.va.gov/

8.4 Capacity **Category Maximum Points Possible: 11**

This category evaluates the applicant's ability to successfully carry out the proposed project based on certifications and/or experience in affordable housing development.

1) *Certifications* *Maximum Number of Points: 3*

Points will be awarded for a member of the development team (as listed in the Development Team Member section of the IHCDA HOME Rental Application) who has completed the following certifications. Three points will be awarded for the completion of two of the 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.

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)
Housing Development/Rental Housing Development Finance Professional	National Development Council (NDC)
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
HOME Rental Compliance Training (2022)	IHCDA with Costello Compliance

2) *Applicant or Administrator Experience* *Maximum Number of Points: 5*

An application will receive 5 points if either:

- The applicant has completed an IHCDA HOME award that had no findings on the closeout monitoring; or
- If the applicant does not have IHCDA HOME experience, if the award administrator has completed an IHCDA HOME award that had no findings on the closeout monitoring.

An application will receive 2 points if an eligible monitored award had 1 finding.

IHCDA will determine points based on the most recent HOME award to be closed out.

3) *CHDO Certification* *Maximum Number of Points: 3*

An applicant that applies and is certified by IHCDA as a Community Housing Development Organization for this project 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 to be used as capital funding for a development. 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, tax exemptions or abatements, in-kind donations for labor or professional services, sweat equity, donated material and equipment. Funds structured as loans must have below market interest rates. Only permanent loans, not short-term loans such as construction or bridge loans, will qualify in this category. 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) and funds used for operating expenses 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.
- Donated property- Land and building values must be supported by an independent, third-party appraisal. The value counted as leverage is the difference between the appraised value and the purchase price.
- Below-market Permanent Loans – Lender letter must acknowledge that the rate offered is below its current market interest rate.
- 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.

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 threshold deficiency, 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 70,000 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 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 9,999 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 if:

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 10,000 and 69,999. 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).

Threshold Deficiency: A threshold deficiency 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. Threshold deficiencies 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.

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 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 for the Applicant 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

All Development fund assisted units must be rent and income restricted at or below 50% of the area median income ("AMI").

Gross rent must not exceed the rent limits of the HOME program.

All tenants who occupy Development Fund assisted units must be income certified and recertified according to the requirements of the HOME program as appropriate.

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 Director of Real Estate Lending.

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
- 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 Development Fund loan terms will be up to two years for construction financing and fifteen years for permanent financing. For Developments with HUD financing (not including 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 co-terminus 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 will be set at 3%.

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.

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, the number of Development Fund assisted units will be the greater of the number calculated using the formula above or 10 units.

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/ihcda/developers/environmental-review-and-section-106/. 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.

Indiana Housing & Community Development Authority

REQUEST FOR QUALIFICATIONS

for the

HOME Investment Partnerships Program
Tenant Based Rental Assistance and
HOME Investment Partnerships Program – American Rescue Plan
Supportive Services

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
30 South Meridian Street, Suite 900
Indianapolis, IN 46204
http://www.in.gov/ihcda/

317-232-7777

ISSUE DATE: September 6, 2023

RESPONSE DEADLINE: October 9, 2023

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PART 1 SCOPE OF THIS REQUEST

1. PURPOSE OF THIS REQUEST FOR QUALIFICATIONS ("RFQ")

The Indiana Housing and Community Development Authority is seeking to select non-profit organizations, public housing agencies, and local units of government to participate in the HOME Investment Partnerships Program ("HOME") Tenant-Based Rental Assistance ("TBRA") program, which provides rental assistance for individuals having a household income at or below 60% of Area Median Income ("AMI") and 1.) are exiting the corrections system and at risk of homelessness due to a lack of stable housing, or 2.) are formerly incarcerated and currently experiencing homelessness. Respondents may also request HOME Investment Partnerships Program – American Rescue Plan ("HOME-ARP") Supportive Services funding to ensure the ongoing housing stability and successful re-entry of HOME TBRA participants.

2. ABOUT THE INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

VISION

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

MISSION

The Indiana Housing and Community Development Authority's ("IHCDA") mission is to provide housing opportunities, promote self-sufficiency, and strengthen communities. To accomplish this, IHCDA will:

- Pursue innovation in all programs and services;
- Provide thought leadership;
- Emphasize continued quality of services; and
- Continuously improve program management practices and partnership building.

OVERVIEW (for more information visit http://www.in.gov/ihcda/)

IHCDA was created in 1978 by the Indiana General Assembly and is a quasi-public financially self-sufficient statewide government agency. IHCDA's programs are successful in large part because of the growing network of partnerships IHCDA has established with local, state, and federal governments, for-profit businesses and not-for-profit organizations. For-profit partners include, but are not limited to, investment banks, mortgage lenders, commercial banks, corporate investment managers and syndicators, apartment developers, investors, homebuilders, and realtors. Not-for-profit partners include, but are not limited to, community development corporations, community action agencies, and not-for-profit developers.

3. BACKGROUND

IHCDA administers the HOME Investment Partnerships Program Tenant-Based Rental Assistance program (the "Program"), pursuant to 24 CFR 92.209. The Program provides tenant-based rental assistance and security deposit payments to low-income households. In accordance with 24 CFR 92.209(c)(2), IHCDA may establish preferences related to who will receive assistance through the Program. IHCDA has determined that eligible participants must be formerly incarcerated individuals that meet HOME income requirements. Formerly Incarcerated Individuals are defined as 1.) individuals exiting the corrections system and at risk of homelessness due to a lack of stable housing or 2.) individuals currently experiencing homelessness who were formerly incarcerated.

4. SCOPE OF SERVICES

The Respondent may request a grant in an amount no less than $100,000 but not to exceed $300,000 to provide HOME tenant-based rental assistance and assistance with security and utility deposits to Formerly Incarcerated Individuals having a household income at or below 60% of AMI. If Respondent is selected pursuant to this RFQ, it may receive an award for an amount lower than the total amount that is requested by the Respondent, however the award amount will not be less than $100,000. The total amount of available funding is $1,200,000 plus any de-allocated or unspent funds from previous awards. The Award term/period of performance shall not exceed 30 months from the effective date of the HOME TBRA award agreement, and all funds must be expended within the 30-month period.

The Respondent may additionally request a grant for HOME-ARP supportive services funding in an amount not to exceed $100,000. If Respondent is selected pursuant to this RFQ and receives a HOME TBRA award for an amount lower than the total amount that is requested by the Respondent, then the HOME-ARP supportive services award will be adjusted accordingly. The Award term/period of performance shall not exceed 30 months from the effective date of the HOME-ARP Supportive Services award agreement, and all funds must be expended within the 30-month period.

A full list of policies and procedures for the Program can be found in the HOME Investment Partnerships Program Tenant Based Rental Assistance Administration Manual (the "Administration Manual"), as amended from time to time. As described in the Administration Manual, eligible costs include:

- Rental Assistance
- Utility Deposit Assistance
- Security Deposits, in accordance with 24 CFR 92.209 (j)
- Administrative Costs, not to exceed 10% of the overall grant amount.

Overview of Other Significant Responsibilities (A more comprehensive description of responsibilities can be found in the **Administration Manual**, as amended from time to time.):

- Recertifying incomes of tenants receiving TBRA at least annually, using source documentation approved by IHCDA.
- Entering into a Rental Assistance Payment Contract with Landlord.
- Entering into a Rental Assistance Payment Contract with Tenant.
- Ensuring that each tenant has a lease that complies with the requirements in 24 CFR 92.253 (a).
- Ensuring that the Landlord and Tenant execute a Tenant-Based Rental Assistance Program Lease Addendum, in order to comply with 24 CFR 253(b) (HUD Prohibited Provisions) and 24 CFR 92.359(e) (VAWA).
- Ensuring rent is reasonable based on rents that are charged for comparable un-assisted rental units.

- Ensuring that any housing receiving HOME TBRA meets the requirements set forth in 24 CFR 982.401 and ensuring it is inspected initially and annually.

- Ensuring that the notice of occupancy rights under VAWA (Violence Against Women Act), which is set forth in Form HUD-5380, and the certification form set forth in Form HUD-5382 is provided to individuals at the following times:
    - At the time an applicant is denied rental assistance;
    - At the time an applicant is approved for rental assistance;
    - At the time you learn that a tenant's landlord intends to provide tenant a notice of eviction; and
    - At the time a tenant's rental assistance is being terminated.

- Selecting tenants/participants in accordance with a written participant selection policy that has been approved by IHCDA. The participant selection policy must clearly specify how households will be selected for participation in their programs.

- Ensuring Compliance with Lead-Based Paint Requirements

If applying for HOME-ARP Supportive Services, the Respondent may find a full list of policies and procedures for the Program in the HOME Investment Partnerships American Rescue Plan Program Supportive Services for Tenant Based Rental Assistance Participants Supplemental Manual ("Supplemental Manual"), as amended from time to time. As described in the Supplemental Manual, eligible costs include:

- Child care
- Education services
- Employment assistance and job training
- Food
- Housing search and counseling services, as required to assist participants to locate, obtain, and retain suitable housing
- Legal services
- Mental health services
- Outpatient health services
- Outreach services
- Substance abuse treatment services
- Transportation
- Case management
- Mediation
- Credit repair
- Landlord/tenant liaison
- Services for special populations
- Financial assistance costs, limited to rental application fees, utility payments, moving costs, and one-time payments of rental arrears
- Administrative costs

Selected respondents will receive additional information on how to submit claims for reimbursement, conduct Housing Quality Standards inspections, and reporting requirements for the Program. By responding to the Request for Qualifications, respondents certify that they will review the Program's Administration Manual, governing federal regulations, and other applicable guidance as distributed by IHCDA in a complete and timely manner.

5. RFQ TENTATIVE TIMELINE

September 6, 2023	RFQ released to the general public
September 14, 2023	Informational webinar at 3:00 p.m. Eastern Time Click here to join the meeting
October 9, 2023	Responses due to IHCDA by 5:00 p.m. Eastern Time
November 2023	Announcement of selected Respondents at IHCDA Board of Directors Meeting
Ongoing	Ongoing meetings with selected respondent for technical assistance. If Respondent is selected pursuant to this RFQ it will be required to attend an initial one-on-one virtual meeting with IHCDA staff after the Board approves the award and prior to it expending any program funds.

PART 2 RFQ PROCESS

1. SELECTION PROCESS

Evaluation of all qualifications will be completed by a selection committee consisting of staff from IHCDA. Respondent must be responsive and responsible as described in Sections 2 and 3 below. Selection is at the sole discretion of the selection committee. Award recommendations will be taken to the November 16, 2023 IHCDA Board of Directors meeting for final approval.

2. MINIMUM REQUIREMENTS

Complete Compliant Proposal
Respondent must submit a complete proposal/response which addresses all applicable questions enumerated in Section 4 and includes the submission and receipt by IHCDA of all items enumerated in Section 6 of this Request for Qualifications.

Not-for-Profit Status
Respondent must be a nonprofit corporation recognized as tax exempt under Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, a public housing agency, or a unit of local government.

Financial Capacity
Respondent must demonstrate financial capacity to administer the program through the complete submission of 2022 financial statements and 2023 year-to-date balance sheet, income statements, and cash flow statements.

Commitment
Respondent must agree to commit to attending all future meetings and trainings, must enter into an agreement outlining these terms, and must have its final participant selection plans approved by IHCDA, if selected.

3. RESPONSIBLE RESPONDENT REQUIREMENTS

IHCDA shall not award any contract until the selected respondent, has been determined to be responsible. A responsible respondent must:

1. Have adequate financial resources to perform the project, or the ability to obtain them;
2. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all the Respondent's existing commercial and governmental business commitments;
3. Have a satisfactory performance record with IHCDA;
4. Have a satisfactory record of integrity and business ethics;
5. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
6. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them;
7. Have supplied all requested information;
8. Be legally qualified to contract in the State of Indiana. If it is an entity described in IC Title 23, it must be registered with and owe no outstanding reports to the Indiana Secretary of State (There is a fee to register with the Secretary of State); and
9. Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended or debarred. If a prospective contractor is found to be non-responsible,

a written determination of non-responsibility shall be prepared and included in the official file for this RFQ, and the respondent shall be advised of the reasons for the determination.

4. QUALIFICATIONS EVALUATION CRITERIA

Respondents may not submit more than one response per category of this RFQ.

The following will be the primary considerations in the selection process:

1. Satisfaction of Threshold Criteria: Respondent must meet each requirement enumerated in Part 2 Section 2 “Minimum Requirements” and Part 2 Section 3 “Responsible Respondent Requirements” to receive continued consideration in the selection process.
2. Experience of Respondent and Partners: Respondent must submit a narrative describing the relevant experience of the Respondent (lead applicant) and how each additional program partner (sub-grantee or other program partners) will contribute to the Program. The narrative cannot exceed 3 pages and should include the following information:
    a. Summary of experience administering rental assistance programs.
    b. Summary of experience providing and/or collaborating with service providers to provide supportive services.
    c. Summary of experience working on issues concerning homelessness.
    d. Summary of experience working with formerly incarcerated individuals.
       If no experience with homelessness or formerly incarcerated individuals, provide a summary of experience working with other vulnerable populations.
    e. Summary of qualifications and expected contributions of each additional program partner. Include examples of past collaboration between program partners and the lead applicant.
3. Readiness to Proceed: Respondent must submit one narrative demonstrating readiness to proceed. The narrative cannot exceed 3 pages and must include the following information:
    a. Justification of the need for this program in the proposed coverage area. This narrative should include data from multiple sources to support the proposal and provide evidence that the funding request meets the need of the target population.
    b. Description of the proposed pipeline for identifying participants for the Program. Include a summary of the overall strategy and the role of each partner in the referral process.
    c. Description of the proposed strategy for engaging program partners, including how the Respondent will identify, engage, and maintain relationships with community partners to provide additional tenant support.
    d. Description of the proposed pipeline for identifying and recruiting landlords. Include a summary of the overall strategy and steps that will be taken to recruit, engage, and retain landlords.
    e. Proposed program timeline, including anticipated start and end date.
4. Program Description: Submit a narrative describing the overall scope of the Program. Narrative cannot exceed 3 pages and must include the following information:
    a. Geographic location(s) to be targeted by county. Describe the organization’s capacity and/or flexibility to provide housing assistance beyond the proposed coverage area as needed to meet the re-entry needs of formerly incarcerated individuals.
    b. Number and structure of staff involved, including client to staff ratio.
    c. Proposed participant selection plan. (Refer to the Administration Manual.) If the program will be limited to an eligible sub-population, incorporate this limitation into the proposed participant selection plan.

   d. Plan for improvement and client feedback. Current TBRA recipients and other respondents with experience administering rental assistance must include details on steps previously taken to improve the program and incorporate client feedback into program administration.
5. Service Delivery: Respondent must submit a narrative describing how supportive services will be delivered. Narrative cannot exceed 5 pages and must include the following information:
   a. Description of services that will be offered, including an explanation of how the services fit the target population. If services will be provided by one or more partners, please describe the services they will offer. If necessary, describe strategies for engaging additional partners to provide population-specific services.
   b. If Respondent is applying for HOME-ARP Supportive Services funding, Respondent must clearly describe how the HOME-ARP Supportive Services funding will meet an existing or anticipated service gap for HOME TBRA participants. The narrative must describe how the Respondent plans to utilize HOME-ARP Supportive Services to enhance housing stability for HOME TBRA participants.
6. Description of Key Staff: Please identify key staff who will run the Program. For each lead person, provide a current resume and a brief narrative (no more than 1 page each) describing why this person was selected for the role. Provide a current organizational chart.
7. Budget: Complete the HOME TBRA Budget Template describing a tentative budget for the project.
   a. If Respondent is applying for HOME-ARP Supportive Services funding, Respondent must also complete the "Supportive Services Budget" tab of the Budget Template.
   b. If additional sources of funding will be used to provide supportive services or rental assistance, please attach a narrative describing the funding source, the anticipated amount of funding from that source, and the eligible activities to be paid with the funding source.
8. Past Award Performance: Past award performance, including history of complying with federal, state and local guidelines, meeting benchmarks and quality of work performed and services provided will be considered. Any entity currently suspended or debarred by or in default with IHCDA will be disqualified. *Applicants are not required to submit documentation to attest to past award performance. IHCDA will review documentation submitted from previous awards to evaluate Respondent's past award performance, if applicable.*

5. APPLICATION SCORING CRITERIA

Evaluation of all qualifications will be completed by a selection committee consisting of staff from IHCDA. All selection is at the sole discretion of the selection committee.

Responses will be scored according to the points system described in this section. Up to 100 points are available to all respondents. Applications for which the lead respondent has previously been the sub-recipient of a HOME TBRA will be evaluated against the category of "Past Award Performance" for 10 additional points. All respondents will be ranked by the percentage of points received out of those available given their designation as new or previous award recipient. Applications which fail the threshold review will not be scored.

Threshold Criteria:

- Not-for-Profit Status (not-for-profit corporation, housing authority or local unit of government)
- Financial capacity to administer the program, including the provision of required documentation
- Complete compliant proposal meeting all requirements listed in Part 2 Sections 2 and 3

Scored Criteria:

1. Overall Experience of Respondent and Partners (20 points)

   Respondent's Experience:
   a. Experience administering rental assistance
   b. Experience providing and/or collaborating to provide supportive services
   c. Experience addressing homelessness
   d. Experience working with formerly incarcerated individuals

      If the Respondent has no experience addressing homelessness or working with formerly incarcerated individuals, please describe instead your experience working with other vulnerable populations.

   Partners' Experience:
   e. Qualifications and expected contributions of each additional partner

2. Readiness to Proceed (20 points)
   a. Justification of need
   b. Participant identification plan
   c. Partner engagement plan
   d. Landlord identification/recruitment plan
   e. Proposed program timeline

3. Program Description (25 points)
   a. Target geographic location
   b. Staffing plan
   c. Participant selection plan
   d. Strategies for obtaining client feedback and improving program over time

4. Service Delivery Plan (25 points)
   a. Description of services and fit of services to the target population
   b. Demonstrated services gap and plans for HOME-ARP Supportive Services funding, if applicable

5. Description of Key Staff (5 points)
   a. Key staff identification, resumes, and brief narrative
   b. Organizational chart

6. Budget (5 points)
   a. Complete HOME TBRA Program Budget Form

7. Past Award Performance (10 points) (Past TBRA sub-recipients only)
   a. History of meeting benchmarks and providing timely and quality reports
   b. Quality of work performed and services provided
   c. Full expenditure of funds

6. RFQ SUBMISSION ITEMS

Respondent must submit documentation in response to the requirements listed in each category heading summarized below. Each of these requirements are described more fully in **Sections 2 and 4 of Part 2 of this RFQ and are summarized in Section 5**. Therefore, Respondent must review **Sections 2 and 4 of**

Part 2 of this RFQ very carefully before submitting its responses. The Respondent must also submit the Qualifications Coversheet and the Certification of Company located at the end of this RFQ Document.

Checklist of Submission Requirements

- Qualifications Coversheet. Qualifications Coversheet (required template included in this RFQ packet).
- Certification of Respondent. Certification of Respondent (required template included in this RFQ packet).
- Not for Profit Status. Verification of 501(c)(3) status, if applicable.
- Financial Capacity. Financials for the lead applicant.
- Narratives addressing all applicable questions for the following sections:
  - Experience of Respondent and Partners.
  - Readiness to Proceed.
  - Program description.
  - Service Delivery.
- Description of Key Staff. Key program staff identification, resumes, narratives, and organizational chart.
- Budget. A tentative budget using the HOME TBRA Budget Template.

7. FORMAT FOR SUBMISSION, MAILING INSTRUCTIONS, AND DUE DATE

Responses must be submitted via email. All documents must be submitted as a PDF.

Heather Pasku
Supportive Housing Analyst
Indiana Housing and Community Development Authority
30 South Meridian, Suite 900
Indianapolis, IN 46204
hpasku@ihcda.in.gov

The deadline for submission is October 9, 2023, at 5:00 PM Eastern Time. Applications that do not contain all required forms/documents as listed in this RFQ may be determined ineligible for further consideration.

PART 3 TERMS AND CONDITIONS

1. STATE POLICIES

A. **ETHICAL COMPLIANCE:** By submitting a proposal, the respondent certifies that it shall abide by all ethical requirements that apply to persons who have a business relationship with the State, as set forth in Indiana Code § 4-2-6 et seq., Ind. Code § 4-2-7, et seq., the regulations promulgated thereunder, and Executive Order 04-08, dated April 27, 2004. Respondent will be required to attend online ethics training conducted by the State of Indiana.

B. **EMPLOYMENT ELIGIBILITY VERIFICATION.** The Respondent cannot knowingly employ an unauthorized alien. The Respondent shall require its contractors who perform work for the Respondent pursuant to the project must certify to the Respondent that the contractor does not knowingly employ or contract with an unauthorized alien.

C. **PAYMENTS:** Any payments for services under any contract awarded pursuant to this RFQ shall be paid by IHCDA in arrears in conformance with State fiscal policies and procedures and, as required by IC §4-13-2-14.8, the direct deposit by electronic funds transfer to the financial institution designated by the successful respondent in writing unless a specific waiver has been obtained from the IHCDA Controller. No payments will be made in advance of receipt of the goods or services that are the subject of any contract except as permitted by IC §4-13-2-20.

D. **CONFIDENTIALITY OF STATE INFORMATION**. The Respondent understands and agrees that data, materials, and information disclosed to the Respondent may contain confidential and protected information. The Respondent covenants that data, material, and information gathered, based upon or disclosed to the Respondent for the purpose of this project will not be disclosed to or discussed with third parties without the prior written consent of the IHCDA. In addition to the covenant made above in this section and pursuant to 10 IAC 5-3-1(4), the Respondent and IHCDA agree to comply with the provisions of IC §4-1-10 and IC §4-1-11. If any Social Security number(s) is/are disclosed by Respondent, Respondent agrees to pay the cost of the notice of disclosure of a breach of the security of the system in addition to any other claims and expenses for which it is liable under the terms of this contract.

E. **ACCESS TO PUBLIC RECORDS:** Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act ("APRA"), IC 5-14-3 et. seq., and the entire response may be viewed and copied by any member of the public. Respondents claiming a statutory exemption to disclosure under APRA must place all confidential documents (including the requisite number of copies) in a sealed envelope marked "Confidential". Respondents should be aware that if a public records request is made under APRA, IHCDA will make an independent determination of confidentiality, and may seek the opinion of the Public Access Counselor. Prices are not considered confidential information. The following information shall be subject to public inspection after the contract award:

A. The RFQ.
B. A list of all vendors who received the RFQ.
C. The name and address of each respondent.
D. The amount of each offer.
E. A record showing the following:
   a. The name of the successful respondent.
   b. The dollar amount of the offer.
   c. The basis on which the award was made.
F. The entire contents of the contract file except for proprietary information that may have been included with an offer, such as:

a. trade secrets;
b. manufacturing processes;
c. financial information not otherwise publicly available; or
d. other data that does not bear on the competitive goals of public procurement that was not required by the terms of the RFQ itself to be made available for public inspection.

F. **TAXES, FEES AND PENALTIES:** By submitting a proposal respondent certifies that neither it nor its principal(s) is presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana or the United States Treasury. Respondent further warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by either the State or Federal Government pending against it, and agrees that it will immediately notify IHCDA of any such actions.

G. **CONFLICT OF INTEREST:** Respondent must disclose any existing or potential conflict of interest relative to the performance of the services resulting from this RFQ, including any relationship that might be perceived or represented as a conflict. By submitting a proposal in response to this RFQ, respondent affirms that it has not given, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of the respondent's proposal or immediate termination of an awardee's contract. An award will not be made where an actual conflict of interest exists. IHCDA will determine whether a conflict of interest exists and whether an apparent conflict of interest may reflect negatively on IHCDA, should IHCDA select respondent. Further, IHCDA reserves the right to disqualify any respondent on the grounds of actual or apparent conflict of interest. The decision of the Compliance Attorney is final.

H. **APPEALS/PROTEST:** Respondent may appeal/protest the award of this contract based on alleged violations of the selection process that resulted in discrimination or unfair consideration. The appeal/protest must include the stated reasons for the Respondent's objection to the funding decision, which reasons must be based solely upon evidence supporting one (1) of the following circumstances:

a. Clear and substantial error or misstated facts which were relied on in making the decision being challenged;

b. Unfair competition or conflict of interest in the decision-making process;

c. An illegal, unethical or improper act; or

d. Other legal basis that may substantially alter the decision.

The appeal/protest must be received within ten (10) business days after the Respondent receives notice of the contract award, or the appeal/protest will not be considered. All protests shall be in writing, submitted to the Compliance Officer, who shall issue a written decision on the matter. The Compliance Officer may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant. The Respondent will receive written acknowledgement of receipt of the appeal/protest within five (5) business days of its receipt, noting the day the appeal/protest was received. Any appeal/protest regarding the funding decision made by IHCDA will be examined and acted upon by the Compliance Officer within thirty (30) days of its receipt.

2. FEDERAL REQUIREMENTS

Respondent agrees to comply with the following concepts reflected in the federal regulations listed below:

A. 24 CFR 92.209, Tenant-based rental assistance: Eligible costs and requirements.
B. 24 CFR 982.401, Housing quality standards (HQS).
C. 24 CFR 5.609 and 24 CFR 5.611(a), Income calculations.
D. 24 CFR 92.253 (a) and (b), Tenant protections (Lease and Prohibited Lease Provisions)
E. EO 13166, signed on August 11, 2000, directs all federal agencies, including the Department of Housing and Urban Development (HUD), to work to ensure that programs receiving federal financial assistance provide meaningful access to Limited English Proficient ("LEP") persons.
F. The Violence Against Women Act (VAWA) requirements as modified by 24 CFR 92.359 (b) and (c).
G. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821–4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851–4856), and implementing regulations at 24 CFR part 35, subparts A, B, , J, K, M, and R apply to activities undertaken using PSH Funds. Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero bedroom dwellings.
H. 31 U.S.C. 1352, Byrd Anti-Lobbying Amendment.
I. Applicable Portions of 2 CFR 200, Uniform Administrative Requirements, Cost Principle and Audit Requirements for Federal Awards, which includes but is not limited to the following requirements:
   i. 2 CFR 200.501, Audit requirements.
   ii. 2 CFR 200.113, Mandatory Disclosures.
   iii. 2 CFR, 200.62, Internal Controls.
   iv. 2 CFR 200.216, Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment.
   v. 2 CFR, 200.318, General Procurement Standards and Conflict of Interests.2 CFR 200.322, Domestic Preferences for Procurements.
   vi. Federal Funding Accountability and Transparency Act of 2006 or Transparency Act—Public Law 109-282, as amended by section 6202(a) of Public Law 110-252 (31 U.S.C. 6101), which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR part 25 Financial Assistance Use of Universal Identifier and System for Award Management and 2 CFR part 170 Reporting Sub-award and Executive Compensation Information.
J. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
K. Debarment and Suspension (Executive Orders 12549 and 12689)—Certain awards (see 2 CFR 180) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

3. RFQ TERMS AND CONDITIONS

This request is issued subject to the following terms and conditions:

A. This RFQ is a request for the submission of qualifications, but is not itself an offer and shall under no circumstances be construed as an offer.
B. IHCDA expressly reserves the right to modify or withdraw this request at any time, whether before or after any qualifications have been submitted or received.
C. IHCDA reserves the right to reject and not consider any or all respondents that do not meet the requirements of this RFQ, including but not limited to: incomplete qualifications and/or qualifications or offering alternate or non-requested services.
D. IHCDA reserves the right to reject any or all companies, to waive any informality in the RFQ process, or to terminate the RFQ process at any time, if deemed to be in its best interest.
E. In the event the party selected does not enter into the required agreement to carry out the purposes described in this request, IHCDA may, in addition to any other rights or remedies available at law or in equity, commence negotiations with another person or entity.
F. In no event shall any obligations of any kind be enforceable against IHCDA unless and until a written agreement is entered into.
G. The Respondent agrees to bear all costs and expenses of its response and there shall be no reimbursement for any costs and expenses relating to the preparation of responses of qualifications submitted hereunder or for any costs or expenses incurred during negotiations.
H. By submitting a response to this request, the Respondent waives all rights to protest or seek any remedies whatsoever regarding any aspect of this request, the selection of another respondent or respondents with whom to negotiate, the rejection of any or all offers to negotiate, or a decision to terminate negotiations.
I. IHCDA reserves the right not to award a contract pursuant to the RFQ.
J. All items become the property of IHCDA upon submission and will not be returned to the Respondent.
K. IHCDA reserves the right to split the award between multiple applicants and make the award on a category by category basis and/or remove categories from the award.
L. The Respondent certifies that neither it nor its principals, contractors, or agents are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from utilizing federal funds by any federal or state department or agency.
M. If the Respondent is selected pursuant to this RFQ it will be required to enter into IHCDA's grant agreement for the HOME TBRA Program. Respondent acknowledges the acceptance of the grant agreement for the HOME TBRA Program and understands that the boilerplate is non-negotiable.

4. QUALIFICATIONS COVER SHEET

Name of Individual, Firm or Business:

Address:

Phone Number:
Fax Number:
Web Site Address:

QUALIFICATION Contact Person:

Title:
Email Address:
Phone:

Contract Signatory Authority:

Title:

5. CERTIFICATION OF RESPONDENT

I hereby certify that the information contained in these qualifications and any attachments is true and correct and may be viewed as an accurate representation of proposed services to be provided by this organization. I acknowledge that I have read and understood the requirements and provisions of the RFQ and agree to abide by the terms and conditions contained herein.

I ________________________________ am the __________________________________ of the (type name of signatory authority) corporation, partnership, association, or other entity named as company and the Respondent herein, and I am legally authorized to sign this and submit it to the Indiana Housing and Community Development Authority on behalf of said organization.

18 U.S.C. § 1001, "Fraud and False Statements," provides among other things, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, anyone who knowingly and willfully: (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title, and/or imprisoned for not longer than five (5) years.

Respondent:

Signed: ________________________________

Name: ________________________________

Title: ________________________________

Date: ________________________________

Firm name: _________________________

NHTF.

APPLICATION POLICY

National Housing Trust Fund
Application Policy
Program Year 2023

SUMMARY
This policy describes the manner in which IHCDA will allocate its Fiscal Year 2023 funds under the Housing Trust Fund ("HTF") program.
The Housing Trust Fund is designed to create new housing opportunities for extremely low-income households (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 FY23 HTF funds for affordable rental housing, specifically for supportive housing for persons experiencing homelessness. HTF awards will be made as gap financing in conjunction with applications for Rental Housing Tax Credits ("RHTC") under the Qualified Allocation Plan ("QAP") or in conjunction with applications for HOME awards. Requests for HTF awards must be made as a supplemental request along with an RHTC or HOME 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 or HOME Rental Application Policy in order to be eligible for funding.

Contents

Available Online

HTF Program Webpage

Last Updated: 07/18/2023

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 extremely low-income households (at or below 30% of area median income).

This program is designed to allocate HTF funds as gap financing in conjunction with Rental Housing Tax Credits (RHTC) or HOME Investment Partnership Program (HOME) funds to be used for the rehabilitation and/or new construction of supportive housing for persons experiencing homelessness.

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

For this funding cycle, HTF funds will be offered exclusively to Rental Housing Tax Credit developments or HOME developments that (1) apply for funding under the Qualified Allocation Plan (QAP) for the Rental Housing Tax Credit Program (RHTC) or the HOME Rental Application Policy and (2) successfully completed the Indiana Supportive Housing Institute. To be eligible to submit an HTF supplemental application, a proposed project must meet all threshold requirements of the QAP or HOME Rental Application Policy, including the specific threshold requirements applicable to supportive housing developments. For FY23 HTF funds, IHCDA will not entertain stand-alone HTF applications.

Supportive housing developments must further the creation of community-based housing that targets the extremely low-income persons experiencing homelessness (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 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.

IHCDA in its sole discretion reserves the right to, and may from time to time, amend this Allocation Plan for any reason, including to assure compliance with applicable federal, State or local laws and regulations thereunder which may be amended and/or enacted and promulgated, to reflect changes in market conditions from time to time, and/or to terminate the program.

1.4 Application Fee

HTF awarded with other sources of funding will be required to submit an application fee as defined by that source's application policy. Applicants should refer to the QAP, HOME Rental Application, or the HOME-ARP Rental Policy for guidance on application and all other applicable fees.

All fees must be paid through IHCDA's Online Payment Portal, located here. Checks will no longer be accepted for application fees.

1.5 Application Review

Each application must address only one development. Reviews of applications follows the steps as outlined in the corresponding program Application Policy.

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 here.

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 QAP or awarded HOME funds pursuant to the the HOME Rental Application Policy; 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 apply. 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 or HOME developments that have completed the Indiana Supportive Housing Institute. RHTC developments must be 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 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, 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 HTF Program Requirements

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 here.

- 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 here.
    - 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 45dB. 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 45dB, 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 Appendix A – HTF UPCS. Property Standards documentation can be found in the "Resources" section of the IHCDA Housing Trust Fund website. Beyond the UPCS standards, projects must also comply with:
  - IHCDA HTF Rehab Standards (found on the IHCDA Housing Trust Fund website); 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; (2) 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 in a geographically equitable manner. 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 $1,500,000 for eligible rental projects. At IHCDA's discretion and depending on availability of funds, the maximum request per application may be reduced. IHCDA may award additional HTF funding if the project demonstrates additional need and meets all subsidy layering and underwriting requirements.

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. IHCDA has updated the limits based on the increase in the Consumer Price Index.

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 2016-2020. Two separate analyses 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 two evaluation regions as set by IHCDA (North and South). While there is some difference in individual project costs, there is relatively little variation in the 2016-2020 averages through both scenarios. The per/unit subsidy for each of the geographical subsets did not greatly differ from either each other or from the state average. The highest total development cost per unit can be found in the large city category; however, only one project since 2016 qualified for this category so the data is not necessarily indicative of any larger trend. The next highest total development cost per unit can be found in the rural category. In this category, the difference between the statewide total development cost average was only 4.87% and the difference between the total development cost per unit was only 3.38%. Small towns had the lowest cost per unit. Analysis of this data suggests that current HOME subsidy limits remain appropriate.

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.

Due to the unique costs associated with Permanent Supportive Housing projects that are often not present in non-PSH HOME rental projects and, in light of public comments received, IHCDA has elected to increase the HTF subsidy limits by approximately 7.5% over current HOME subsidy limits. IHCDA will revisit these limits on an annual basis to determine whether they remain appropriate. IHCDA will allow HTF applicants applying in conjunction with HOME Investment Partnerships Program-American Rescue Plan ("HOME-ARP") to use the maximum HOME subsidy limits as published by HUD.

HTF funds used for acquisition, rehabilitation, and new construction combined cannot exceed:

Bedroom Size	Per Unit Subsidy Limit
0	$139,750
1	$163,400
2	$187,050
3	$225,750
4+	$249,400

HTF funds used for acquisition, rehabilitation, and new construction in conjunction with HOME-ARP funding combined cannot exceed:

Bedroom Size	Per Unit Subsidy Limit
0	$159,753
1	$183,132
2	$222,693
3	$288,093
4+	$316,236

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 $10,000 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 way 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 posts income limits – these can be found through IHCDA's RED Notices. IHCDA will release a new RED notice when new 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. Rent limits for Indiana can be found on HUD's website here.

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. Exception: Applications with Section 8 Project Based Rental Assistance (PBRA), Project Based Vouchers (PBV), or Section 811 Project Rental Assistance (811 PRA) on 20% or more of the total units must use a vacancy rate of 4-7%.

RENTAL INCOME GROWTH – 2% per year

OPERATING RESERVES – The greater of (1) at least four months of projected expenses including operating expenses plus debt service payments and replacement reserve payments; OR (2) $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	1.15 – 1.45
Rural	1.15 – 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 below, 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 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

consider 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.

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.

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.

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 any other applicable policy.
   - 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 not be reviewed.

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 (e.g., electronic 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 2020-2024 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 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 (if applying for RHTC) 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 93 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 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 – moderate 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 and HOME Rental Application Policy. An application can score up to 11 points for proximity to positive land uses, transportation, etc. See Chapters 7 and 8 of this manual for a summary of the QAP and HOME Rental Application Policy scoring criteria.

   - Undesirable Sites: An application can receive a negative point if the proposed development is located within a ½ mile radius of 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 9% low-income housing tax credits in the past 3 years. If there has been a 9% tax credit allocation within the last three years, the application will receive points based on the total number of tax credit units funded in the last three 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. An application will receive 1.5 points if the proposed development is in a census tract that contains exactly one other active tax credit project of the same occupancy type.

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 or HOME Rental Application Policyas 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 (if applying for RHTC) and from Section 5.9 of this policy

c. The Applicant must identify all subsidy sources. Funding commitments must be provided with the RHTC or HOME 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 will score HTF applications based on the scoring criteria of the primary funding source. These criteria can be found in detail in the Qualified Allocation Plan (RHTC), HOME Rental Policy (HOME), or HOME-ARP Rental Policy (HOME-ARP). Applications must meet the minimum score per each policy to meet threshold and be considered for funding. Applications will not be scored for HTF separately.

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.

NHTF.

REHABILITATION STANDARDS

IHCDA National Housing Trust Fund Rehabilitation Standards

IHCDA has established rehabilitation standards of which all HTF-assisted housing undergoing rehabilitation must meet at the time of project completion, pursuant to the regulations at 24 CFR 93. These standards are designed to outline the requirements for building rehabilitation for all IHCDA national Housing Trust Fund funded multi-family housing projects.

All IHCDA National Housing Trust Fund (HTF) projects constructed or rehabilitated must meet the stricter of the Indiana State Building Code, local building codes, or manufacturer's instructions. The General Administrative Rules at 675 IAC 12 provides State of Indiana codes and standards for rehabilitation. The Rules can be accessed at the following address: http://www.in.gov/dhs/2490.htm

At the time of publication and adoption of the HTF Standards, the adopted codes referenced are believed to be those in force. As standard sand codes change and put into effect by the governing authorities having jurisdiction, the new standards and codes will apply in lieu of those referenced.

Please note this Guide is to be used only as a supplement to compliance with all applicable State and Federal codes, laws, regulations, statutes, and rules. This Guide should not be considered a complete guide to physical inspection compliance. The responsibility for compliance with Federal program regulations lies with the HTF grantee and/or property owner. IHCDA's obligation to monitor for compliance with the requirements of the Code does not make IHCDA or its subcontractors liable for any non-compliance issues.

I. Health and Safety

If the housing is occupied at time of rehabilitation, any life-threating deficiencies must be identified and addressed immediately. Appendix A defines the list of Inspectable Items and Observable Deficiencies, including the identification of life-threating deficiencies for the property site, building exterior, building systems, common areas and units. Critical Violation code deficiencies (CVC) are identified in both the following Rehabilitation Standards, as well as Appendix A. Critical violations must be repaired within 24 hours of the inspection and IHCDA must be provided with written notification of the action taken to complete the correction(s). The following would be considered a Critical Violation Code:

- Exposed Energized Electrical
- Water Leak by Electrical equipment
- Gash/Methane Leaks
- Fire Exit Blocked
- Unusable Fire Escapes
- Flue Gas Vents with CO leakage
- Missing/inoperable smoke detector
- Expired/Discharged Fire Extinguisher/Inspector Tag
- Inoperable Emergency Escape/Rescue Windows
- Inoperable Emergency Lightening
- Inoperable EXIT sign
- Improper Fuel Storage
- Missing or Lose Guard Rail
- Ground Fault Protection Inoperable
- Fire Alarm Inoperable
- Other with Explanation

II. Major Systems
The remaining useful life of the major systems must be determined for rental housing and a Capital Needs Assessment will be required for projects of 26 units or more. For more information on the CNA the certificate and affidavit, please see Schedule F.

- 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 loan. 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.
    - See 5.6: Underwriting Guidelines for Rental Projects in the HTF Policy for more information.

- An independent, experienced third party must perform the CNA and this party can have no financial interest in ownership of the development. It is required that an Indiana licensed professional, an engineer/architect, perform the assessment and supply IHCDA with their professional opinion of a property's current overall physical condition. This includes the identification of significant deferred maintenance, existing deficiencies, and material building code violations that effect the property's use and tis structural or mechanical integrity.

- The assessment should include a site visit and physical inspection of the interior and exterior of units and structures, as well as an interview with available on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs and existing or chronic physical deficiencies. The assessment should include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. The assessment should also include recurring probably expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, in order to determine the appropriate replacement reserve deposits on a per unit per year basis. The following components should be examined and analyzed for a CNA:

    - Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utilities and lines;
    - Structural systems, both substructure and superstructure, including exterior walls an balconies, exterior doors and windows, roofing system and drainage.
    - Interiors, including unit and common area finishes and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors;
    - Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, and fire protection; and
    - Elevators (if applicable).

- The CNA must provide the following information in the order and format below:
    - Company certification;

- Executive summary – including a general building description, evaluation definitions, process used to create the Capital Needs Assessment (including interviews with the current owner and/or management company;
- Existing Building Systems and Conditions Summary;
- Critical Repair Items Cost Summary – including all health and safety deficiencies violation of state or local building codes that require immediate correction:
    - Site and grounds
    - Building exteriors
    - Common areas
    - Building interiors
- Rehab and Renovations Cost Summary – An estimate of the repairs, replacements and renovations that will be completed before the final placed in service date:
    - Site and grounds
    - Building exteriors
    - Common areas
    - Building interiors
    - Market improvements
    - Contingency (not to exceed 15%)
- Long Term Physical Needs Cost Summary – an estimate of the repairs and replacements, during and beyond the final placed in service date, that will be required to maintain the properties physical integrity over the next 15 years.
    - Remaining useful life schedule
- Physical condition Inspection Report
- Site, building and floor plans
- Capital Needs Assessment Certification
- Photo Log

- IHCDA will, after receiving the application and the CNA, schedule a physical inspection of the development in order to verify the accuracy of the CNA submitted with the application. Additionally, IHCA may make a report, which identifies deficiencies and/or inaccurate statements concerning the identification of repairs in the CNA submitted with the application.

III. Lead Based Paint:

HUD's Lead Safe Housing Rule 24 CFR Part 35 must be addressed in all projects receiving IHCDA HTF funding. The Rule may be accessed here:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr

IV. Accessibility

The Uniform Federal Accessibility Standards sets standards for facility accessibility by physically handicapped persons for Federal and federally-funded facilities. These standards are to be applied during the design, construction, and alteration of buildings and facilities to the extent required by the Architectural Barriers Act of 1968, as amended. Guidelines and standards may be found at:
https://www.access-board.gov/guidelines-and-standards/buildings-and-sites/about-the-aba-standards/ufas

Section 504 of the Rehabilitation Act of 1973- provides accessibility requirements for New Construction, Substantial Rehabilitation, and Rehabilitation. Please see Chapter 3 - Accessibility Requirements of the IHCDA CDBG & HOME Program Manual for an outline of Section 504 requirements.

V. Disaster Mitigation

These standards require housing to be improved to mitigate any potential impacts from potential disasters, such as earthquakes, hurricanes, floods, and wildfires. Improved housing must comply with State or local codes, ordinances, and any other HUD requirements. Currently new projects located in a flood hazard area will not be funded, and any other rehabilitation of existing units must comply with any federal, State and local flood mitigation plans. Any other potential disaster issues will be mitigated as necessary.

VI: Uniform Physical Condition Standards

The property conditions must also be in accordance with the Uniform Physical Conditions Standards. These are the standards to which projects requiring on-going compliance will be inspected by during the affordability period.

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Site Conditions

1. **Site Drainage**

   a. There shall be positive surface water drainage away from all dwellings.
   b. The storm water drainage system shall be free of obstructions, structurally sound, free of hazards, and properly drain.

2. **Concrete and Masonry**

   a. Cracks in concrete, and/or masonry porches, steps or landings more than ¼ inch wide and change in elevation more than ½ inch tall shall be corrected.
   b. Walkways/Steps: cracking, spalling, exposed reinforcing material creating health/safety issues shall be repaired.
   c. Foundations: Cracking, spalling, excessive bowing (bulges vertically), sweeping (bulges horizontally), leaning, and mortar deterioration shall be corrected. Cracks 1/8 inch and larger shall be corrected.

3. **Accessory Buildings**

   a. Health and/or Safety issues shall be corrected.

4. **Trees and Shrubs**

   a. Landscaping shall not pose any health or safety hazard.
   b. Trees near the foundation shall not cause an immediate or potential drainage and/or structural problem.
   c. Excessive bushes and trees shall not cause health or safety hazards (overgrown areas).
   d. Dead branches and/or trees, which pose a hazard of falling and/or causing personal harm or property damage, shall be removed.

5. **Refrigerator/Stoves**

   a. It is recommended that the appliance(s) be replaced if any of the following conditions exist:
      - Broken or missing shelving.
      - Deteriorated seals.
      - Health and safety hazards.
      - Coolant leaks from the refrigerator.
      - Missing hardware (handles, controls knobs).
      - Inefficient or inoperable.

6. **Fencing and Gates**

   a. Shall be fully functional, securely installed, and free of health and safety issues.
   b. Any missing sections, holes, and/or components shall be repaired.

7. **Air Quality**

   a. Indoor and outdoor spaces must be free from high levels of sewer gas, fuel gas, mold, mildew, or other harmful pollutants.

8. Garbage, Debris, Chutes

a. Garbage and debris shall not exceed the capacity of the designated container within each unit and/or exterior collection points.
b. Exterior garbage containers shall be adequately sized for the number of units within the development.
c. Walls and gates surrounding exterior trash collection points shall remain in good repair and free of leaning, broken, and collapsing components or sections.
d. Garbage chutes shall be in proper working condition

9. Hazards

a. All sharp edges or cutting hazards which could cause bodily harm shall be properly repaired.
b. Trip and fall hazards shall be identified and repaired.

10. Infestation

a. Insect and/or rodent infestation shall be treated by a professional within 48 hours to prevent infestation of other units and areas.

11. Mailboxes/Signs

a. Mailboxes shall be present and in good repair.
b. All signage shall be present, legible, and in good repair.

12. Parking Lots, Driveways, and Roads

a. Cracks greater than ¾ inch, hinging/tilting, or missing section(s) that affect traffics ability On the property's parking lots/driveways/roads shall be repaired.
b. Water ponding affecting the use of the parking lot and/or driveway shall be properly remediated.
c. Cracks, settling, heaving, and/or potholes creating unsafe or unusable surfaces for walking or driving shall be properly repaired.

13. Play Areas, Equipment, Surface

a. Damaged or inoperable equipment creating a safety issue shall be repaired.
b. Deteriorated play surface creating a tripping hazard or not providing adequate protection from falls shall be remediated.

14. Graffiti

a. Inappropriate inscriptions or drawings scratched, painted, or sprayed on a building surface shall be removed.

Exterior Wall Assembly Standards

a. All exterior walls shall be reasonably weather tight as to prevent moisture from entering the building and preventing heat from leaving the building.
b. All siding and exterior wall coverings shall be free of loose, cracked, broken and/or missing sections.
c. Painted surfaces shall be free of deteriorated paint.
d. Crawl space access panels and vents shall be in good repair.
e. Basement/Cellar doors and access panels shall be in good repair.
f. Retaining walls deteriorated, damaged, falling, or leaning creating a health/safety issue shall be properly repaired.

Floor Standards

1. **Wood Floor Standards**

a. Floors shall not excessively sag or become springy when live or dead loads are applied.

2. **Floor Sheathing**

a. Sheathing shall be in good repair and free from structural defects and tripping hazards.

3. **Floor Finishes**

a. Floor finishes shall be in good repair, securely fastened, and free of any tripping hazards.
b. Sub-flooring and cement floors, in living spaces, shall be covered with carpeting or other approved floor finishes.

4. **Toilet, Bath, Shower, and Kitchen Spaces**

a. When a new floor finish is installed in the kitchen, it shall extend under moveable appliances, including stoves and refrigerators.

Windows and Doors

1. **Windows**

a. Window panes that are cracked or broken shall be repaired or replaced.
b. Any deteriorated components of window units shall be corrected.
c. All windows shall have properly operating locks and hardware.
d. Damaged storm windows or screens creating a possible safety hazard shall be repaired or removed.

2. **Interior/Exterior Doors**

a. All doors and hardware shall be present and in good working condition.
b. Interior and exterior doors shall be in good condition free of damage which may cause a hazard.
c. Doors leading to the outside of the unit shall be weather-stripped to prevent air infiltration.
d. Doors shall be located in the following areas: attic areas where there is a staircase, bathrooms, shower rooms, restrooms, bedrooms, basement entrances, and storage rooms.

e. Storm doors, components, and screens shall be in good repair.
f. Door frames, thresholds, and components shall be in good repair.

Partition Standards

1. **Wall Coverings**

a. All wall coverings shall be securely fastened to the wall assembly.
b. Wall coverings shall be free from excessively loose material, large gouges, holes, and cracks.
c. Excessive amounts of loose or torn wallpaper shall be corrected.

2. **Bathrooms and Kitchens**

a. Bathtubs with showerheads and shower compartments shall be finished with a nonabsorbent surface. Such wall surfaces shall extend to a height of not less than six feet above the floor.
b. If mildew is present, measures shall be taken to prevent future mildew as well as removing the current mildew.

3. **Cabinets and Countertops**

a. Cabinets shall be in good repair, all components operational, and be free of safety hazards.
b. Countertop surfaces shall be in good repair, in kitchens provide a sanitary surface to prepare food, and be free of safety hazards.

Stair Standards

1. **Stairs**

a. Staircases and stairwells shall be in good repair.
b. Stairs shall not pose a tripping hazard.
c. Deteriorated, missing or otherwise defective tread, risers, stringers or the supporting structure shall be corrected.

2. **Illumination**

a. All exterior and interior stairways shall be provided with illumination of the stairs, landings, and treads.
b. Exterior stairways shall have an artificial light source located in the immediate vicinity of the top landing of the stairway.
c. Exterior stairways providing access to a basement from the outside grade level shall have an artificial light source in the immediate vicinity of the bottom landing of the stairway.
d. The control for the illumination of interior stairways shall be accessible in habitable areas without traversing any step of the stairway. The control for the illumination of exterior stairways shall be located inside the dwelling unit. Lights that are continuously illuminated or automatically activated are exempt from the control standards.

Handrails and Guardrails

1. **Handrails**

a. All interior and exterior stairways having four or more risers must have at least one handrail. Spiral and winding stairways shall have a handrail on the outside perimeter.

b. Handrails shall have a height of no less than 34 inches and no more than 38 inches, and shall be in good repair. Handrails shall be securely fastened to the floor and/or wall to support loads applied by people using the rails.

2. Guardrails

a. All unenclosed floor and roof openings, open sides of stairways, landings and ramps, balconies, decks or porches that are more than 30 inches above grade or floor below, and roofs used for other than service of the building shall be protected by a guardrail in accordance with the Indiana State Building.

Ceiling Standards

1. Ceiling Performance

a. Ceiling framing shall be in good repair and free from structural defects.
b. Acoustical tile and suspended ceilings shall be in good repair.
c. Ceilings that excessively sag shall be corrected.
d. Any bulging, holes, or loose plaster shall be corrected.

2. Attic Access

a. Existing access panels shall be weatherized and provide a weather-tight seal between the conditioned and unconditioned space.

3. Insulation Clearance

a. Combustible insulation shall be at least three inches from recessed lighting fixtures, fan motors, and other heating devices. However, when heat producing devices are listed for lesser clearances, combustible insulation complying with the listing requirements may be located at the distance specified by the heat producing device.

4. Exhaust Ducts and Plumbing Stack Terminations

a. All plumbing stacks shall continue through the roof, wall, or gable and not terminate in the attic. Plumbing stacks shall be in good repair.
b. Exhaust ducts shall be in good repair and continue through the roof, wall, or gable and not terminate in the attic.

Roofs

1. *Re*-roofing

a. Roof repairs to existing roofs and roof coverings shall comply with the provisions of the Indiana State Building Code.
b. Standing-Seam metal roof systems, that are designed to transmit the roof loads directly to the buildings structure system and that do not rely on existing roofs and roof coverings for support, and comply with all provisions of the Indiana State Building Code, are permitted.

2. Sheathing

a. Sheathing that is sagging, buckling, rotted, or not structurally sound shall be repaired and/or replaced.

3. Underlayment and Moisture Barriers

a. Where shingles or sheathing need to be repaired or replaced, the underlayment and moisture barrier must also be replaced.
b. For roof slopes from 2 units vertical in 12 units horizontal (17% slope) up to four units vertical in 12 units horizontal (33% slope) underlayment shall be two layers cemented together. For roof slopes 4 units vertical in 12 units horizontal (33% slope) or greater, underlayment shall be one layer. The felt paper must be rolled and fastened according to manufacturer's directions. Successive courses shall be overlapped 2 inches, and fastened properly.

4. Shingles

a. Shingles must be replaced if one of the following exists: missing, excessive curling, cupping, or deterioration.
b. Shingles installed on a roof slope below State Building Code requirements for shingles shall be removed and an approved covering installed.
c. Standing water causing potential or visible damage shall be repaired.

5. Flat Roofs

a. Punctured, cracked, blistered, wrinkled, or otherwise distressed areas shall be corrected.
b. Drains shall be in good repair and free of obstructions.

6. Flashing and Vents

a. Flashing shall be in good repair and used wherever the roof abuts a wall or vent, around other extensions through the roof, and around masonry chimneys.
b. Properly sized attic venting shall be installed on all new construction and re-roofs and shall be free of damage or obstructions.

7. Gutters, Downspouts, Soffit, and Fascia

a. Missing, sagging, or deteriorated gutters must be repaired or replaced.
b. Wood is only acceptable if required by Department of Natural Resources – Division of Historic Preservation & Archeology.
c. Downspouts shall be color coordinated with gutters and shall be proportional in size to the drainage needs of the roof.
d. Gutters shall be supported as per the manufacturer's specifications with spikes and ferrules, wrap-around straphangers, or with hidden hangers.
e. Downspouts shall be securely attached to the house and connected to an exterior drainage system if one exists or installed in such a manner that storm water will drain away from the house and not result in washing, erosion, or damage to the foundation of the house. If there is no drainage system present, splash blocks or leaders shall be present.
f. Damage and missing soffit and/or fascia shall be repaired or replaced.

Chimney Standards

1. General Performance

a. Any operable chimney must meet all applicable chimney requirements.

b. When an existing chimney is found not fit for its intended application it shall be repaired, rebuilt, lined, relined, or replaced with a vent or chimney to conform to the applicable code.
c. Inoperable and/or deteriorated chimneys, which pose a health/safety risk, shall be corrected or removed.
d. All empty or cracked mortar joints, including those in interior areas, such as basements and attics shall be tuck-pointed.
e. Solid fuel burning chimneys, for burning of wood or coal, shall be provided with spark arrestors (screens).

2. Flue Lining

a. All operable chimneys shall have flue liners in good condition.

3. Chimney Hood

a. The chimney hood shall have a height above the vent of at least 25 percent of the narrowest dimension of the vent. Hoods shall also be free from spalling or rust.
b. Minor spalling shall be repaired. If more than small portions are spalling, the hood shall be replaced. If a metal chimney hood has excessive rust, it shall be replaced.

Electrical – Hazards

1. General

a. There shall be a minimum service of 100-ampre per dwelling unit.
b. Fused service panels shall be replaced by a panel with circuit breakers.
c. Open ports within a panel box shall be properly concealed.
d. Service-drop conductors shall meet the applicable code requirements.
e. All circuits within the panel-box shall be identified and labeled.
f. All wiring in basements, attics and/or garages shall be properly secured.
g. Whereas a bathroom does not have a receptacle, one shall be installed in accordance with the Indiana State Building Code. Half-bathrooms are exempt from this requirement.
h. All counter-top receptacles, in the kitchen, shall be GFCI protected.
i. Bathroom and exterior receptacles shall be GFCI protected.
j. All 240-volt appliances or equipment except baseboard heating units shall be on separate circuits.
k. Wall or ceiling light fixtures and/or ceiling fans shall be securely installed.
l. Moisture leaks, puddling, or ponding on or near energized electrical components shall be investigated and remediated.
m. Electrical panel access and working clearance shall not be obstructed.
n. Breakers with evidence of melting, arching, or carbon residue shall be investigated and properly repaired.
o. Electrical enclosures/equipment shall be free of moisture stains, water leaks in close proximity, rust, and other signs of corrosion, or safety issues.

2. Wiring

a. Existing wiring and equipment shall be in proper operating condition, free of fraying, nicks, and abrasions, and pose no health or safety risk.
b. All wiring in areas other than the basement, unused attic areas, and garages shall be run in walls, wire mold or in conduit.
c. A new or old service shall be grounded to a ground rod.

d. Circuit extensions made with flexible cord wiring in lieu of permanent wiring shall be eliminated.
e. Copper wiring shall have proper connections to aluminum wiring. It is recommended that aluminum wiring be replaced with copper wiring when possible.

3. Receptacles

a. All damaged or inoperable receptacles shall be replaced. Broken cover plates shall be replaced.
b. Replacement of an existing non-utility or non-appliance two-prong receptacle may be with a 15-ampre non-grounding type receptacle.
c. New or existing grounding type receptacles must be grounded or meet the current requirements of the Indiana State Building Code.
d. Existing baseboard receptacles properly set are acceptable.
e. Any equipment or appliances with grounded plugs shall have immediate access to a proper size grounded receptacle.

4. Lighting

a. A permanently installed light fixture controlled by a wall switch is required in the kitchen, bathroom, basement, stairwells, and hallways.
b. Light fixtures shall be installed properly and have a shield/globe installed.

Plumbing

1. Water Distribution System

a. Please ensure that anyone performing plumbing work meets the proper licensing requirements as required by the State of Indiana or local jurisdictions.
b. Dwelling units shall be served by an approved sanitary sewage disposal system.
c. Leaking drain or supply lines, the presence of lead piping, failed polybutylene joints or pipes, low water pressure, or corroded or broken pipes shall be repaired or replaced. Any cross connections or siphonage between fixtures shall be corrected.
d. There shall be a properly operating main shut-off valve on the house side of the meter.
e. Replacement sill-cocks shall be freeze-proof and/or have a shut-off valve located and in accordance with the Indiana State Building Code.

2. Drain, Waste, and Vent System

a. Leaks; clogged, slow, or non-working drains; or odors and any cross connections or siphonage between fixtures shall be corrected. Supplies that are located below the overflow drain must be corrected.
b. Horizontal drainage piping shall be installed in uniform alignment at uniform slopes.
c. The size of drainage pipe shall not be reduced in the direction of flow. A 4-inch by 3-inch water closet connection shall not be considered a reduction in size.

3. Hot Water Supply System

a. Each dwelling unit shall have a water heater located, equipped, and installed in accordance to the Indiana State Building Code.
b. A discharge pipe, extending from the TPR (temperature relief valve) and no less than the diameter of the TPR inlet, shall be installed not less than six inches from the floor. The end of the discharge pipe shall not be threaded.

4. Fixtures and Faucets

a. Kitchen Sink. Any sink rusted, severely chipped or with badly worn enamel or not in good repair shall be corrected.
b. Lavatory Sink and Cabinet. A rusted, severely chipped or badly worn enamel or not in good repair shall be corrected. The lavatory sink may be located in the same room as the flush water closet, or, if located in another room, it shall be in close proximity to the water closet compartment. Damaged or missing cabinet components shall be repaired/replaced.
c. Bathtub/Showers. A rusted bathtub and/or shower unit or one that is chipped or has badly worn enamel, or not in good repair shall be corrected.
d. Flush Water Closet. The water closet shall be in good repair and securely installed. All water closets, existing or newly installed, shall have a functioning shut-off valve.

HVAC Standards

1. Controls and Operation

a. Each thermostat shall be functional and user friendly.
b. Each gas and oil combustion system shall have a master switch that serves as an emergency shutoff for the HVAC burner. The switch shall be easily accessible by the client in case an emergency shutoff is necessary. The switch shall also be in the line of sight of the appliances it controls.
c. Abnormal vibrations, noise, or leaks shall be investigated and repaired if needed.

2. Fuel Supply

Piping

a. Piping shall be properly supported, but not supported by other piping. A sediment trap shall be located as close as practical to the inlet of each combustion appliance (illuminating appliances, ranges, dryers, and outdoor grills need not be equipped). Shutoff valves shall be installed where required by the Indiana State Building Code and have easy access, be user friendly, and be protected from damage.
b. Piping shall be supported with appropriate hangers for the size of pipe. Supports shall be at such an interval and strength to prevent or dampen excessive vibration. Pipe supports shall be installed so movement of the pipe being supported will not detach them.
c. Any leaks from a fuel tank or line shall be reported and immediately repaired.

3. Combustion Heat (Forced Air Systems only)

Basic Conditions

c. The unit must have the minimum manufacturer's requirements in front of the unit for maintenance. The unit shall also be free from rust or other physical damage. The heat exchanger must be free from cracks or other openings. Barometric draft regulators shall be located above the unit or on the vent or vent connector in oil burning appliances.

d. The heating system must be capable of heating all habitable rooms, bathrooms, and water closets to a temperature of at least 70° F for a local design temperature at a distance of 36 inches above floor level.

c. Combustion air requirements shall be in accordance with the Indiana State Building Code.

Vents

General Conditions

a. Vents shall be sized to properly exhaust all combustion products outdoors. Vents shall also consist of the appropriate vent type for the combustion appliance(s) being vented. Vents shall be free from damage or rust and be tightly connected.

b. Vents shall be properly supported so that they are generally vertical and comply with the listed clearance to combustible materials of the vent.

c. Direct vent sealed combustion; power venting, and other approved methods of venting are permitted if they are installed according to manufacturer's instructions.

Vent Termination

a. Gas vents 12 inches or smaller must terminate at least 8 feet from a vertical wall or other similar obstruction and have a minimum height (from highest roof penetration to lowest discharge opening) according to the Indiana State Building Code. All other gas vents must terminate at least 2 feet from the highest point where the vent passes through the roof and at least 2 feet higher than any portion of a building within 10 feet.

b. Type B or L vents shall terminate at least 5 feet above the highest connected draft hood or flue collar. Vents must terminate vertically unless direct vent sealed combustion, power venting, or other approved methods of horizontal venting are used and installed according to manufacturer's instructions.

Vent Connectors

a. Vent connectors shall be sized to properly vent combustion products. Vents shall also consist of the appropriate vent type for the combustion appliance(s) being vented. Vents shall be free from damage or rust and be tightly connected. All segments of vent connectors shall be accessible at all times.

b. Vent connectors shall be properly supported and have a minimum slope of $^1/_4$ inch per foot and comply with the listed clearance to combustible materials of the vent.

4. Electric Heat

Observable heat source

a. All heating elements shall be functional. Heating units shall also be in good condition. The heating system must be capable of heating all habitable rooms, bathrooms, and water closets to a temperature of at least 70° F for local design temperatures at a distance of 36 inches above floor level. Heating elements shall have good connections and no damaged or charred wires. Aluminum shall not be used as wiring unless specified by the manufacturer.

b. Any heating element that does not adequately heat shall be checked to make sure the connections to the element are satisfactory and that the relay is not malfunctioning.

5. Cooling

a. Central air conditioners shall be in good, working condition.
b. Unit/Window and Packaged terminal air conditioners shall have a tight seal around the unit and be properly supported. Unit/Window air conditioners shall also be properly grounded.
c. If a heat pump is equipped with a reversing valve, it shall function properly.
d. Bent fins on air conditioners should be combed to straighten them. The condensate shall be properly drained so that moisture problems are not created. Fiberglass shall not be used as an air sealant around window/unit air conditioners. Both indoor and outdoor coils should be clean. Suction lines should also be insulated to prevent possible moisture problems.
e. A disconnecting means shall be installed in accordance with the Indiana State Building Code.

6. Distribution Systems

a. Duct systems shall be intact, supported properly, and well-sealed.
b. Air shall be allowed to flow freely from supply registers into return registers.
c. When furnaces are converted from a gravity fed heating system to a forced air system the duct system should be reconfigured and properly sized so that the heating system functions properly.
d. Duck tape shall not be used to seal or connect ducts.
e. When possible, supply and return registers shall be located in the same room, except for bathrooms or kitchens. No returns should be located in bathrooms and kitchens. If supplies and returns cannot be in the same room, measures must be taken to allow for air to flow from supplies to a return even if doors are closed separating the rooms. Grills and louvers are two methods of allowing air to flow from room to room.
f. Boiler/Pump water or steam leaks creating a safety hazard shall be properly repaired.

Ventilation

1. Minimum Ventilation Standards

a. All habitable rooms shall be provided with natural or mechanical ventilation.
b. Louvers, windows and doors shall be able to let air pass freely between the room and the outdoors.
c. Exhaust fans must terminate outdoors and not in the attic. Excessive amounts of exhaust ductwork shall be avoided.

Bathrooms

a. Bathrooms that have a tub or shower shall be ventilated.
b. Windows must have at least 1.5 square feet of area that air can pass through if mechanical ventilation is not available.
c. Ventilated air shall be exhausted directly outside and not terminate in any other part of the building.
d. Any ductwork passing through attics shall be insulated.

2. Clothes Dryer Exhaust

General

a. Dryer exhaust systems shall be independent of all other systems; shall convey the moisture to the outdoors and shall terminate on the outside of the building. Screens shall not be installed at the duct termination. Transition ducts shall not be concealed within construction.
b. Exhaust ducts shall not be connected with sheet-metal screws or fastening means which extend into the duct.
c. Exhaust ducts shall be equipped with a backdraft damper.
d. Exhaust ducts shall be constructed of minimum 0.016-inch thick rigid metal ducts, having smooth interior surfaces with joints running in the direction of the airflow.
e. Flexible transition ducts used to connect the dryer to the exhaust duct system shall be limited to single lengths, not to exceed eight feet in length, and shall be listed and labeled in accordance with UL 2158A.
f. Exhaust duct terminations shall be in accordance with the dryer manufacturer's installation instructions.

Lint collector

a. All ducts expelling lint shall be provided with a lint collector unless the dryer is already equipped with one.
b. Lint collectors shall be installed according to manufacturer's instructions.

Exhaust duct size

a. The minimum diameter of the exhaust duct shall be as recommended by the manufacturer and shall be at least the diameter of the appliance outlet.

Exhaust clearance

a. Exhaust ducts for clothes dryers shall have a clearance of at least one inch from combustible materials.

Length limitation

a. The maximum length of a clothes dryer exhaust duct shall not exceed 25 feet from the dryer location to the wall or roof termination. The maximum length of the duct shall be reduced by 2.5 feet for each 45-degree turn and 5 feet for each 90-degree turn. The maximum length of the exhaust duct does not include the transition duct.

3. Range Hoods

a. Range hoods for gas stoves that discharge to the outdoors must be through a single wall duct. The duct serving the hood shall be airtight and shall be equipped with a backdraft damper. Ducts serving range hoods shall be constructed of galvanized steel or stainless steel and not terminate in an attic or crawl space or areas inside the building.
b. Variations can be made where installed in accordance with the manufacturer's installation instructions, and where mechanical or natural ventilation is otherwise provided

4. Overhead exhaust hoods

a. Overhead exhaust hoods shall discharge to the outdoors and shall be equipped with a backdraft damper. Broiler units incorporating an integral exhaust system, and listed and labeled for use without an exhaust hood, need not be provided with an exhaust hood.
b. Domestic open-top broiler units shall be provided with a metal exhaust hood, not less than 28 gauge, with a clearance of not less than 0.25 inch between the hood and the underside of

combustible material or cabinets. A clearance of at least 24 inches shall be maintained between the cooking surface and the combustible material or cabinet. The hood shall be at least as wide as the broiler unit and shall extend over the entire unit and be centered over the unit

<u>**Fire Safety**</u>

1. **Emergency Escape and Rescue Openings**

   a. Emergency escape and rescue opening shall comply with the Indiana State Building Code.
   b. Fire escapes, including ladders, shall not be blocked by stored items or barriers.
   c. All components of a fire escape such as a ladder, shall be present and in proper working order.

2. **Exits**

   a. Exits shall comply with the Indiana State Building Code.
   b. Emergency lighting that provides illumination during power outages shall be in proper working order at all times.

3. **Smoke Alarms**

   a. Individual dwelling units shall be provided with smoke alarms as required by the Indiana State Building Code.

4. **Flammable Materials**

   a. All flammable materials shall be properly stored in accordance with the manufacturer's specifications, state, and/or local codes.

5. **Fire Protection**

   a. All components of a sprinkler system shall be present and in proper working order.
   b. Required fire extinguishers shall be present, accessible, and the inspection tag up to date.

<u>**Hazardous Materials**</u>

1. **Asbestos**

   a. The Local or State Health Department should be contacted regarding any questions concerning the proper treatment and/or disposal of any material possibly containing asbestos.

2. **Lead-Based Paint** – Reference HUDs Lead Safe Housing Rule at 24 CFR Part 35

<u>**Energy Efficiency**</u>

1. **Exterior Walls**

   a. Walls should be insulated in accordance with the Indiana State Building Code when any of the following activities occur:
      - New walls,
      - Walls that have become exposed during rehabilitation, and

- If the exterior covering is removed.

2. Attics/Ceilings

a. Attic areas are recommended to have a minimum of R-38 insulation.
b. Any attic walls that connect to an interior space are recommended to be insulated at a minimum of R-18.
c. Insulation should be installed in accordance to manufacturer's specifications. All insulation in the attic should meet the appropriate fire safety codes. Thorough air sealing of the attic floor must be accomplished prior to addition of insulation.

3. Ductwork

a. All supply and return air ducts and plenums shall be insulated with a minimum of R-5 insulation when located outside the thermal boundary and with a minimum of R-8 insulation when located outside the building envelope.

4. Piping

a. All piping serving as part of a heating or cooling system shall be thermally insulated in accordance with the Indiana State Building Code.

5. Air Sealing

a. Exterior joints, seams or penetrations in the building envelope, that are sources of air leakage, shall be sealed.

<u>Accessible Features</u>

1. Elevators

a. Elevators shall be operational with an up to date inspection certificate present, and properly aligned and leveled with each floor to prevent trip hazards.

2. Call for aid

a. Systems shall be fully operational as designed.

ESG AND HOPWA.

MODS AND WRITTEN GUIDELINES

Emergency Solutions Grant
Rapid Rehousing-Homeless Prevention
2024 Request for Proposal

ISSUE DATE: July 10, 2024
RESPONSE DEADLINE: July 26, 5 PM EST

DUE DATE

Applicant's proposal must be submitted electronically via the Electronic Application form only and received by the IHCDA no later than July 26, 2024, 5 PM Eastern Time. Applications received after this date and time will not be considered or accepted. Faxed, emailed or mailed applications will not be considered or accepted. This year's application tool only requires one application for all program types. Please use the following link to apply:

https://www.surveymonkey.com/r/VXNF58B

Hit the SUBMIT button on the application form only after you have double checked your answers and uploaded required documents.

AWARD AMOUNT

The Award is contingent on IHCDA's receipt of ESG funding from HUD:

A. The maximum request and award amount for an organization that received a 2023 ESG award from IHCDA is $250,000.
B. The maximum request for any organization that did NOT receive a 2023 ESG award from IHCDA is $100,000.
C. The award term is one year: July 1, 2024, to June 30, 2025

2024-2025 REQUIREMENTS FOR THE ESG-RRHP PROGRAM:

PURPOSE

IHCDA requests innovative proposals from organizations to administer the ESG-Rapid Re-housing and Homeless Prevention program in coordination with their regional Planning Councils on the Homeless.

The ESG program provides funding for the rapid re-housing of households at or below 30% of the Area Median Income for which no appropriate housing options are identified and that lack sufficient resources and support networks to immediately obtain housing. Rapid Re-housing is defined as providing services and rental assistance to assist a homeless individual or family to move as quickly as possible into permanent housing and achieve stability in housing.

Applicants that receive ESG funds will be expected to operate a Housing First Rapid Rehousing model, including access to services without precondition or eligibility requirements related to income, criminal history or any other perceived barrier. ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the ‘‘homeless’’ definition in § 576.2 (see below in Subsection 8 of Section C of this RFP) or the criteria in paragraph (1) of the “homeless” definition in 24 CFR 576.2 or the criteria in paragraph (4) of the “homeless” definition. The assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the ‘‘at risk of homelessness’’ definition (see below in Subsection 9 of Section C of this RFP), or who meet the criteria in paragraph (2), (3), or (4) of the ‘‘homeless’’ definition in § 576.2 and has an annual income below 30 percent of median family income for the area, as determined by HUD.

The application selection process is highly competitive.

2024-2025 REQUIREMENTS FOR THE ESG-RRHP PROGRAM:

ELIGIBLE APPLICANTS

A. THRESHOLD REQUIREMENTS

Applicants must meet the following Eight (8) requirements to be considered for an ESG award:

1) Applicant must be a private nonprofit organization (defined as tax-exempt secular or religious organization described in section 501(c) of the Internal Revenue Code. **Documentation of this status must be submitted with proposal.**

2) Applicant must certify that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from doing business or receiving funds from any federal agency or by any department, agency or political subdivision of the State.

Applicant must take the following steps to confirm its status and obtain a Unique Entity ID:

- **a)** Visit the following link: https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf
- **b)** Type the Applicant’s name where it is asked to “Enter your specific search term”
- **c)** Press the box entitled “View Details”
- **d)** Print the results/save as a PDF; and
- **e)** Submit the results with the application as a PDF along with the other required supporting documentation.

3) Applicant must not have any unresolved IHCDA or HUD findings. Applicant must not have had any state or federal funds recaptured due to non-compliance.

4) To ensure that the Continuum of Care is obtaining feedback from all of its partners and incorporating that feedback into its goals and work, the Applicant is required to attend and participate in the regional planning council. Applicant must actively attend its regional planning council on the homeless meetings. Active participation is defined as attendance to at least 75% of all meetings during the previous calendar year. IHCDA staff will consult with regional planning council chairs to verify attendance.

5) Applicant must be located in Balance of State Continuum of Care region (IN-502), which currently includes each county in the State of Indiana except Marion County.

6) Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Applicant must be following this required HUD policy. A copy of the policy must be submitted with the proposal as documentation.
7) 100% of all clients/tenants receiving services in this ESG program must meet HUD's definition of homelessness for Rapid Rehousing or HUD's definition of At Risk of homelessness for Homeless Prevention.
8) In Accordance with 24 CFR 576, the Applicant must describe how it will make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis and describe how it will take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, The Applicant is also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

B. OTHER APPLICANT REQUIREMENTS

1) Applicants must have coordination between the State ESG program and the local Entitlement City (when an Entitlement City is included in proposed service area).
2) Subrecipient must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area.
3) Applicants must demonstrate match to support the ESG Program, as described in Subsection J of this RFP. Eligible sources of funds can be any of those listed in 24 CFR Part 576.201 (b).
4) Applicants must demonstrate organizational capacity to assess eligibility; develop and monitor housing permanency plans; identify and contract with eligible landlords and utilities; and manage the distribution and accounting of assistance checks for eligible activities.
5) Future allocations of ESG will be partially based on performance of goals set forth in Section F of this RFP. Outcomes will be evaluated and used as a factor in determining the applicant's allocations in future ESG awards.
6) Proposals must include a defined outreach plan involving outreach to street/unsheltered homeless. This may involve the local PATH or ACT teams when one is existent in the proposed service area. Information about these teams is available from FSSA Division of Mental Health and Addiction: http://www.in.gov/fssa/dmha/2879.htm.
7) Proposals must also include a defined plan to coordinate with sheltered homeless individuals and families. An MOU must be executed between all ESG-funded shelters (including transitional housing) in the proposed service area detailing the proposed referral process. Proposals must include a defined outreach plan involving outreach to street/unsheltered homeless. This may involve the local PATH or ACT teams when one is existent in the proposed service area. Information about these teams is available from FSSA Division of Mental Health and Addiction: http://www.in.gov/fssa/dmha/2879.htm.

C. SUB-RECIPIENT REQUIREMENTS

If applicant is selected to receive and ESG award it will be considered a sub-recipient and will need to also comply with requirements that are applicable to "subrecipients" of ESG funding:

1) Subrecipients and any contracted vendors involved in program participant assessment, case management or fiscal management of the allocated funds must have Internet access with e-mail availability.
2) Subrecipients will be required to complete reports each award year in accordance with HUD and IHCDA requirements. This data will be retrievable through HMIS. IHCDA will monitor outcomes on a regular basis and outcomes must also be reported by the subrecipients in program reports.
3) Subrecipient staff must attend trainings on designated topics related to the rapid re-housing and homelessness prevention programs.
4) Subrecipients must execute agreements with IHCDA in order to use HMIS for the ESG program. If Subrecipient is a victim service provider it must enter client-level data on ESG beneficiaries/clients into a comparable database, which collects all of the HMIS universal data elements and generates unduplicated aggregate reports. Victim service providers are encouraged to use IHCDA's ClientTrack database, which will also require it to execute agreement(s).
5) Agencies awarded ESG funds will be required to use a standard intake assessment.
6) Subrecipients are required to conduct case management with all program participants at a minimum of once per month.
7) The Rapid Re-housing assistance may only be provided to program participants who meet the criteria in the McKinney-Vento Homeless Assistance Act amended by S.896, The Homeless Emergency and Rapid Transition to Housing (HEARTH) Act of 2009 under the "homeless" definition as stated below:

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
   a) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
   b) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by federal, state, or local government programs for low-income individuals); or
   c) An individual who is exiting an institution where s/he resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution

2. Any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
   a) Has no other residence; and
   b) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing; and
   c) Lives in an emergency shelter or other place described in #1 above.

8) The Homelessness Prevention assistance may only be provided to program participants who meet the criteria in the McKinney-Vento Homeless Assistance Act amended by S.896, The Homeless Emergency and Rapid Transition to Housing (HEARTH) Act of 2009 under the "At risk of homelessness" definition as stated below:

At risk of homelessness means: (1) An individual or family who: (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD; (ii) Does not have sufficient resources or support networks, *e.g.,* family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the ''homeless'' definition in this section; and (iii) Meets one of the following conditions: (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance; (B) Is living in the home of another because of economic hardship; (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals; (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau; (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); 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 consolidated plan; (2) A child or youth who does not qualify as ''homeless'' under this section, but qualifies as ''homeless'' under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e– 2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or
(3) A child or youth who does not qualify as ''homeless'' under this section, but qualifies as ''homeless'' under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a (2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

9) **Violence Against Women Reauthorization Act ("VAWA") OF 2013:**

A. Overview

The core statutory protections of VAWA that prohibit denial or termination of assistance or eviction solely because an applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking applied upon enactment of VAWA 2013 on March 7, 2013. The VAWA regulatory requirements under 24 CFR part 5, subpart L, as supplemented by this section, apply to all eligibility and termination decisions that are made with respect to ESG rental assistance on or after *December 16, 2016.* The Subrecipient must ensure that these requirements are included or incorporated into rental assistance agreements and lease pursuant to IHCDA's Lease Addendum as provided in 24 CFR 576.106(e) and (g).

B. Required Notice of Occupancy Rights and Certification

The Subrecipient must ensure that the notice of occupancy rights which is set forth in Form HUD 5380 and the certification form set forth in Form HUD 5382 is provided to each applicant for ESG rental assistance and each program participant receiving ESG rental assistance at each of the following times:

1. When an individual or family is denied rental assistance;
2. When an individual or family's application for a unit receiving project-based rental assistance is denied;
3. When a program participant begins receiving rental assistance;

4. When a program participant is notified of termination of rental assistance; assistance;
5. When a program participant receives notification of eviction; and
6. During the 12-month period following December 16, 2016, either during annual recertification or lease renewal, whichever is applicable, or, if there will be no recertification or lease renewal for a tenant during the first year after the rule takes effect, through other means.

C. <u>Request for VAWA protections/Documentation</u>

If a tenant seeks VAWA protections set forth in 24 CFR part 5, subpart L, the tenant must submit such request through the Subrecipient. If an applicant or tenant represents to the Subrecipient that the individual is a victim of domestic violence, dating violence, sexual assault, or stalking entitled to the protections under §5.2005, or remedies under §5.2009, the Subrecipient may request, in writing, that the applicant or tenant submit to the Subrecipient a completed Form HUD 5382. If an applicant or tenant does not provide the documentation requested within 14 business days after the date that the tenant receives a request in writing for such documentation from the Subrecipient, nothing in 24 CFR 5.2005 or 24 CFR 5.2009, which addresses the protections of VAWA, may be construed to limit the authority of the Subrecipient to:

1. Deny admission by the applicant or tenant to the program;
2. Deny assistance under the program to the applicant or tenant;
3. Terminate the participation of the tenant in the program; or
4. Evict the tenant, or a lawful occupant that commits a violation of a lease.

A Subrecipient may, at its discretion, extend the 14-business-day deadline. The Subrecipient must work with the landlord or property manager to facilitate protections on the tenant's behalf. The Subrecipient must follow the documentation specifications in 24 CFR 5.2007, including the confidentiality requirements in 24 CFR 5.2007(c). If the program participant is entitled to protection, the Subrecipient must notify the owner in writing that the program participant is entitled to protection under VAWA and work with the owner on the program participant's behalf. Any further sharing or disclosure of the program participant's information will be subject to the requirements in 24 CFR 5.2007.

D. <u>Emergency Transfers</u>

The Subrecipient must use and implement the emergency transfer plan set forth in Form HUD-5381 for ESG-RR. The Subrecipient may provide Form HUD-5383 to a tenant that is requesting an emergency transfer and ask the tenant to complete this form. With respect to tenants who qualify for an emergency transfer and who wish to make an external emergency transfer when a safe unit is not immediately available, the Subrecipient must assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant’s request, Subrecipient will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking. <u>The Subrecipient must provide the tenant with a list of Local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking.</u>

E. <u>Confidentiality</u>

Any information submitted to the Subrecipient, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking (confidential information), shall be maintained in strict confidence by the Subrecipient.

The Subrecipient shall not allow any individual administering assistance on behalf of the Subrecipient or any persons within their employ (e.g., contractors) or in the employ of the Subrecipient to have access to confidential information unless explicitly authorized by the Subrecipient for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law.

The Subrecipient shall not enter confidential information described above into any shared database or disclose such information to any other entity or individual, except to the extent that the disclosure is:

i. Requested or consented to in writing by the individual in a time-limited release
ii. Required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program; or
iii. Otherwise required by applicable law.

The Subrecipient's compliance with the protections of 24 CFR 5.2005 and 24 CFR 5.2009, based on documentation received under this section shall not be sufficient to constitute evidence of an unreasonable act or omission by the Subrecipient. However, nothing in this paragraph shall be construed to limit the liability of the Subrecipient for failure to comply with 24 CFR 5.2005 and 24 CFR 5.2009.

F. Remedies Available To Victims Of Domestic Violence, Dating Violence, Sexual Assault, Or Stalking.

The Subrecipient must ensure that the Landlord understands that it may bifurcate a lease, or remove a household member from a lease in order to evict, remove, terminate occupancy rights, or terminate assistance to such member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual:

1. Without regard to whether the household member is a signatory to the lease; and

2. Without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant.

A lease bifurcation, as provided in this section, shall be carried out in accordance with any requirements or procedures as may be prescribed by Federal, State, or local law for termination of assistance or leases and ESG requirements.

G. Remaining participants following bifurcation of a lease or eviction as a result of domestic violence, dating violence, sexual assault, or stalking.

1. When a family receiving tenant-based rental assistance separates under 24 CFR 5.2009(a), the family's tenant-based rental assistance and utility assistance, if any, shall continue for the family member(s) who are not evicted or removed.
2. If a family living in a unit receiving project-based rental assistance separates under 24 CFR 5.2009(a), the family member(s) who are not evicted or removed

can remain in the assisted unit without interruption to the rental assistance or utility assistance provided for the unit.

H. Prohibited Denial/Termination

Subrecipient shall ensure that any applicant for or tenant for ESG may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.

I. Construction Of Lease Terms

Subrecipient shall ensure that an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as:

1. A serious or repeated violation of a lease for ESG-assisted housing by the victim or threatened victim of such incident; or
2. Good cause for terminating the assistance, tenancy or occupancy rights to ESG-assisted housing of the victim of such incident.

J. Termination On The Basis Of Criminal Activity

No person may deny assistance, tenancy, or occupancy rights to ESG-assisted housing to a tenant solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking. Notwithstanding the foregoing, the landlord of ESG-assisted housing may bifurcate a lease for the housing in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing. The Subrecipient of ESG-assisted housing must provide any remaining tenants with an opportunity to establish eligibility and a reasonable time to find new housing or to establish eligibility.

K. Lease Addendum

Each tenant receiving ESG rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the Landlord and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the tenant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For tenants living in housing with project-based rental assistance under paragraph the lease must have an initial term of 1 year. Each lease executed on or after *December 16, 2016* must incorporate a lease addendum that includes all requirements that apply to tenants, the owner/Landlord or lease under 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), as supplemented by 24

CFR 576.409, including the prohibited bases for eviction and restrictions on construing lease terms under 24 CFR 5.2005(b) and (c)

L. <u>Limited applicability of VAWA requirements:</u>

1. Nothing in this section limits the authority of the Landlord, when notified of a court order, to comply with a court order with respect to:
    - i. The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or
    - ii. The distribution or possession of property among members of a household.
2. Nothing in this section limits any available authority of the Subrecipient evict or terminate assistance to a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. However, the Subrecipient must not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance.
3. Nothing in this section limits the authority of the Landlord to terminate assistance to or evict a tenant under a covered housing program if the Landlord can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to property of the Subrecipient would be present if that tenant or lawful occupant is not evicted or terminated from assistance. In this context, words, gestures, actions, or other indicators will be considered an “actual and imminent threat” if they meet the standards provided in the definition of “actual and imminent threat” in 24 CFR 5.2003.
4. Any eviction or termination of assistance, as provided paragraph (3) of this section should be utilized by the Landlord only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents.

10) Subrecipient must comply with the requirements set forth in HUD’s Equal Access Rule. See below for details.

Appropriate Placement for Transgender Persons in Single-Sex Emergency Shelters and Other Facilities

On February 3, 2012, HUD published the *Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity* final rule (Equal Access Rule) (77 FR 20 5662). This final rule requires that HUD’s housing programs be made available to individuals and families without regard to actual or perceived sexual orientation, gender identity, or marital status. The rule defines “gender identity” to mean “actual or perceived gender-related characteristics.” 24 CFR 5.100; 77 FR at 5665. The final rule also prohibits owners and administrators of HUD-assisted or HUD-insured housing, approved lenders in an FHA mortgage insurance program, and any other recipients or subrecipients of HUD funds from inquiring about sexual orientation or gender identity to determine eligibility for HUD-assisted or HUD-insured housing. The rule does not, however, prohibit voluntary self-identification of sexual orientation or gender identity, and it provides a limited exception for inquiries about the sex of an individual to determine eligibility for temporary, emergency shelters with shared sleeping areas or bathrooms, or to determine the number of bedrooms to which a household may be entitled. 24 CFR 5.105(a)(2).

11) **HUD Guidance for Single-Sex Emergency Shelters or Other Facilities that Receive ESG, HOPWA, or CoC Funds**

Assignments

HUD assumes that a recipient or subrecipient (“provider”) that makes decisions about eligibility for or placement into single-sex emergency shelters or other facilities will place a potential client (or current client seeking a new assignment) in a shelter or facility that corresponds to the gender with which the person identifies, taking health and safety concerns into consideration. A client’s or potential client’s own views with respect to personal health and safety should be given serious consideration in making the placement. For instance, if the potential client requests to be placed based on his or her sex assigned at birth, HUD assumes that the provider will place the individual in accordance with that request, consistent with health, safety, and privacy concerns. HUD assumes that a provider will not make an assignment or re-assignment based on complaints of another person when the sole stated basis of the complaint is a client or potential client’s non-conformance with gender stereotypes.

Appropriate and Inappropriate Inquiries Related to Sex

For temporary, emergency shelters with shared sleeping areas or bathrooms, the Equal Access Rule permits shelter providers to ask potential clients and current clients seeking a new assignment their sex. Best practices suggest that where the provider is uncertain of the client’s sex or gender identity, the provider simply informs the client or potential client that the agency provides shelter based on the gender with which the individual identifies. There generally is no legitimate reason in this context for the provider to request documentation of a person’s sex in order to determine appropriate placement, nor should the provider have any basis to deny access to a single-sex emergency shelter or facility solely because the provider possesses identity documents indicating a sex different than the gender with which the client or potential client identifies. The provider may not ask questions or otherwise seek information or documentation concerning the person’s anatomy or medical history. Nor may the provider consider the client or potential client ineligible for an emergency shelter or other facility because his or her appearance or behavior does not conform to gender stereotypes.

Privacy

If a client expresses safety or privacy concerns, or if the provider otherwise becomes aware of privacy or safety concerns, the provider must take reasonable steps to address those concerns. This may include, for example: responding to the requests of the client expressing concern through the addition of a privacy partition or curtain; provision to use a nearby private restroom or office; or a separate changing schedule. The provider must, at a minimum, permit any clients expressing concern to use bathrooms and dressing areas at a separate time from others in the facility. The provider should, to the extent feasible, work with the layout of the facility to provide for privacy in bathrooms and dressing areas. For example, toilet stalls should have doors and locks and there should be separate showers stalls to allow for privacy. The provider should ensure that its policies do not isolate, or segregate clients based upon gender identity.

D. ELIGIBLE ACTIVITIES for Rapid Rehousing & Homeless Prevention. ESG assistance may be used for the following activities:

1) **Rapid Re-housing & Homeless Prevention: Tenant Based Rental Assistance**
   a) Including up to 24 months of rental payments.
   b) Payment of rental arrears consists of a one-time payment for up to six months of rent in arrears, including any late fees on those arrears

2) **Rapid Re-housing & Homeless Prevention : Housing Relocation and Stabilization Services**, including:
   a) **Financial Assistance**
      1. Moving Costs
      2. Rental Assistance fees
      3. Security Deposit
      4. Last Month's rent
      5. Utility Deposit
      6. Utility Payments
   b) **Services**
      1. Housing Search & Placement (Housing Locators)
      2. Housing Stability Case Management
      3. Mediation
      4. Legal Services
      5. Credit Repair
3) **Homelessness Prevention Component**
   Same activities as Rapid Re-Housing for those HUD defines as "at risk of homelessness".

4) **Administration** including administrative costs related to the planning and execution of ESG Rapid Re-housing activities. Subrecipients can budget up to 7.5% of their total grant for eligible administrative activities. This does not include staff and overhead costs directly related to carrying out activities eligible under other activities. Administration costs include the following:
   a) Salaries, wages and related costs of the subrecipients engaged in administration, including:
      1. Preparing program budgets and schedules, and amendments to those budgets and schedules;
      2. Developing systems for assuring compliance with program requirements,
      3. Developing interagency agreements to carry out program activities,
      4. Monitoring program activities for progress and compliance with program requirements,
      5. Preparing reports and other documents directly related to the program for submission to IHCDA,
      6. Coordinating the resolution of audit and monitoring findings,
      7. Evaluating program results against stated objectives,
      8. Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in any of #1-7 above.

b) Other costs for goods and services required for administration of the program including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space,
c) Costs of attending HUD-sponsored ESG trainings.

E. CLAIMS

Subrecipients are responsible for claiming funds on a monthly basis through IHCDA Online. The funds will only be disbursed for eligible expenses. Subrecipients can receive up to Twelve disbursements for the fiscal year through an IHCDA defined process. IHCDA expects that sub-recipients have adequate accounting practices to ensure that all funds are tracked at the client and activity level. The fiscal year for the grant begins on July 1, 2024 and ends on June 30, 2025. Claims for reimbursement must be submitted through IHCDA Online. Supporting documentation must be submitted electronically through IHCDA Online. All ESG funds must be committed within 12 months and expended within 12 months. Accordingly, IHCDA reserves the right to reallocate ESG funds to another program in the Balance of State Continuum if a sub-recipient cannot meet the above requirement.

HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) SOFTWARE REQUIREMENT

The sub-recipient must ensure that data on all persons served and all activities assisted under ESG are entered into the Homeless Management Information System ("HMIS") in accordance with HUD's standards on participation, data collection, and reporting requirements. The sub-recipient is required to enter data into the Homeless Management Information System ("HMIS") on a regular and consistent basis. "Regular and consistent" means within a five (5) day period of intake or discharge. Data must be entered for the ESG funded shelter program and all other residential programs serving homeless individuals and families. The data required for entry into HMIS includes the following data elements: Name, Social Security Number, Date of Birth, Ethnicity, Race, Gender, Veteran Status, Disabling Condition, Residence Prior to Program Entry, Zip Code, Length of Stay at Previous Residence and Homeless Cause. The sub-recipient agrees to collect any other data elements as required by HUD as it updates its HMIS data standards, from time to time. The sub-recipient is required to update a client's status annually. These updates should be completed at intake and discharge and at client's annual recertification. For more information on the HMIS, contact the HMIS helpdesk hmishelpdesk@ihcda.in.gov. Training in use of the HMIS for the purposes of the ESG program will be provided by IHCDA. Victim services providers are not allowed to enter data into the HMIS but must enter data into a comparable database as described below:

If sub-recipient is a victim service provider it must enter client-level data on ESG beneficiaries/clients into a comparable database, which collects all of the HMIS universal data elements listed in this paragraph and generates unduplicated aggregate reports. Victim service providers are encouraged to use IHCDA's ClientTrack database. The data required for entry into IHCDA's ClientTrack database or the victim service provider's comparable database must include the following data elements: Name, Social Security Number, Date of Birth, Ethnicity, Race, Gender, Veteran Status, Disabling Condition, Residence Prior to Program Entry, Zip Code, Length of Stay at Previous Residence and Homeless Cause. The sub-recipient agrees to collect any other data elements as required by HUD as it updates its HMIS data standards, from time to time. The sub-recipient is required to update a client's status annually. These updates should be completed at intake and discharge and at client's annual recertification. For more information on DV ClientTrack, contact the DV ClientTrack helpdesk at: dvhelpdesk@ihcda.in.gov.

Subrecipient must participate in the HMIS within 14 days of its agreement with IHCDA. (See Fed. Reg. 68, 43431 7/22/2003). (Per state requirement the sub-recipient is required to enter data into the HMIS within a (5) day period of intake or discharge).

F. COORDINATED ENTRY:

Subrecipient must use the coordinated entry process established by the CoC as set forth in § 578.7(a)(8) to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance.

G. ACCESS TO RECORDS/INSPECTIONS:

Financial records, supporting documents, statistical records, and all other records related to the ESG award must be retained for a period of five (5) years from the date of submission of the final expenditure report or closeout of the grant, whichever occurs later. HUD, Inspectors General, the Comptroller General of the United States, and IHCDA, or any of their authorized representatives or sub-contractors, must have the right of access to any documents, papers, or other records of the applicant to the ESG award, in order to make audits, examinations, excerpts, and transcripts so long as no identifiable data about persons who receive service is released (See 68 Fed. Reg., 43450) (7/22/2003). The right also includes timely and reasonable access to the applicant's personnel for the purpose of interview and discussion related to such documents.

The sub-recipient shall provide IHCDA all necessary records, data, information, and documentation required for IHCDA to carry out its oversite obligations.

H. MATCH

Each subrecipient must match dollar-for-dollar the ESG funding provided by HUD with funds from other public or private sources. A subrecipient may comply with this requirement through matching funds or voluntary efforts provided by any recipient or project sponsor.

Matching funds must be provided after the date of the grant award to the subrecipient. Funds used to match a previous ESG grant may not be used to match a subsequent grant award. No federal funds can be used for match, with the exception of Community Development Block Grant (CDBG) and Community Service Block Grant (CSBG) funds. It is important to note that any CSBG funds used for matching the ESG program must be used for CSBG purposes, and in accordance with the requirements of, both CSBG and the ESG program.

Subrecipients are required to contribute 100% match to their ESG program. For example, if the ESG award is $10,000, the subrecipient must demonstrate $10,000 as match. The following items may be used as match:

Type of Match	Documentation required
Cash/Grant	Award letter
Value or fair rental value of any donated material or building	Documentation of value of donated material or building. Documentation of previous year's match.
Value of any lease on a building	Documentation of value of lease on a building
Any salary paid to staff to carry out the program of the subrecipient	Timecards of staff member. Proof of salary payment (cancelled checks / bank statements). Summary list of all salaries counted as match. List should contain staff name, hours worked and total monetary value

	of time worked.
Value of the time and services contributed by volunteers to carry out the program of the subrecipient. (Note: Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the local community.)	List containing all volunteer names, number of hours worked and total value of time contributed.

Examples of Potential ESG Match Sources	
Below are some examples of match that could be used as ESG match. Please note that in order for the match to be counted, the source must be eligible and its use must be an eligible ESG activity. Match can be provided by the subrecipient itself OR any other community agency, but must directly benefit the ESG participants and be provided during the award term in order to be counted. This list is not exhaustive.	
In-Kind	**Cash**
211 Helpline: Time conducting Coordinated Entry assessments or other eligible expenses.	CDBG, CSBG
AIDS/HIV-related services provided to ESG participants	City or County funds
Alcohol and substance abuse services	Community Action Agencies
Bookkeeping/Administrative services for ESG program (but not billed to ESG)	Donations received as a result of the Neighborhood Assistance Program
Budgeting, credit repair service provided to participants in the community (but not billed to ESG)	ICJI grants, as eligible
Case management (not billed to ESG)	Local Foundations
Child care	Private donations
Clothing, Household, Hygiene items donated	Program income
Community Center - educational meetings related to housing, transportation vouchers, other eligible financial assistance	United Way
Donation Inventory Management	Township Trustees(s) assistance provided to ESG participants
Education, GED, classes (parenting)	
Employment assistance & Job Training	
Emergency Shelter/ Transitional Housing - services provided in program, not billed to ESG	
Faith Based Community; Ecumenical/Ministerial associations	
Food donated to participants by local churches (food stamps *cannot* be counted)	
Furniture donated	
Health care provided by local clinic/hospital	
Housing Food kit, Move-in kit preparation	
Housing placement	
Hygiene Kit preparation	
Legal Services	
Life skills Training not billed to ESG	
Mental health services (CMHC's)	
Minority Health Coalitions	
Motel Stays	
Move in Kits donated	
Office space donated	
Street Outreach: Engagement, case management, emergency mental health services, transportation, services to special populations	
Outpatient Health services - Community Health Centers, other medical centers	

Rent, not paid with ESG	
Renovation of shelter facility, benefiting ESG participants	
School Corporations- eligible services provided to ESG participants	
Transportation	
Utilities, not paid with ESG	
Utility Companies- any amount that is waived from arrears or deposits off of amount due	
Volunteer - professional - local, customary rate	

I. CERTIFICATIONS

When Applicant submits an application in response to this RFP, it is certifying that it will comply with the following certifications and the RFP terms and conditions listed in the next section.

1. AUTHORITY OF APPLICANT AND ITS REPRESENTATIVE:

The authorized representative of the applicant who signs the certifications and assurances affirms that both the applicant and its authorized representative have adequate authority under state and local law and internal rules of the applicant organization to:

1. Execute and return the application.
2. Execute and return the required certifications, assurances, and agreements on behalf of the applicant and,
3. Execute agreements on behalf of the applicant.
4. Understand that intentional falsification, concealment or cover up by any trick, scheme or devise of any information, charts, data, attachments, or materially false, fictitious or fraudulent statement or representation of any information, submitted by the applicant will permanently disqualify the applicant from applying for funds under this program's initiatives.

2. HOMELESS PERSONS INVOLVEMENT:

To the maximum extent practicable, the applicant will involve, through employment, volunteer services, board involvement or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted with ESG.

3. SUPPORTIVE SERVICES:

The applicant will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local and private assistance available for such individuals.

4. STANDARD ASSURANCES:

The applicant assures that it will comply with all applicable federal statutes, regulations, executive orders, circulars, and other federal administrative requirements in carrying out the grant.

The applicant acknowledges that if it is selected to receive ESG funding it will be under a continuing obligation to comply with the terms and conditions of the ESG grant and recognizes that federal laws, regulations, policies and, administrative practices, may be amended from time-to-time and may affect the implementation of the project.

5. **DEBARMENT AND SUSPENSION:**

The applicant warrants that it has no current or outstanding criminal, civil, or enforcement actions initiated by the State pending, and agrees that it will immediately notify the State and the IHCDA of any such actions. During the term of such actions, the applicant agrees that IHCDA may delay, withhold, or deny work under any supplement, amendment or contractual device issued pursuant to this Agreement.

The applicant certifies that it or its principals have not been convicted of nor had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction, or have not been terminated for cause or default. The applicant certifies that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from doing business or receiving funds from any federal agency or by any department, agency or political subdivision of the State. The term "principal" for purposes of this certification means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the applicant.

In addition, the applicant certifies that it will not contract with parties listed on the government wide exclusions in the System for Award Management ("SAM"), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 and 12689 "Debarment and Suspension."

6. **DRUG FREE CERTIFICATION:**
The applicant will publish, or has published, a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the applicant's workplace and specifying the actions that will be taken against the employees for violation of that prohibition.

Establish an ongoing drug-free awareness program to inform its employees about: (1) the dangers of drug abuse in its workplace; (2) the applicant's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs, and (4) the penalties that may be imposed upon its employees for drug abuse violations occurring in the workplace.

Making it a requirement that each of its employees engaged in the performance of the grant be furnished a statement of the applicant's drug policy.

7. **NON-DISCRIMINATION:**
The applicant will comply with Title VI of the 1964 Civil Rights Act, as amended (42 u.s.c.§ 2000d et.seq.) the Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), and the Americans with Disabilities Act (ADA), as amended, (42 U.S.C. § 12101 et seq.)

The Civil Rights Act generally requires that applicants assure that no person otherwise qualified, on the basis of race, color, national origin, creed, sex, or age will be excluded from participation in or be denied the benefits of, or otherwise discriminated against in any program, or activity conducted by the applicant.

The Rehabilitation Act and ADA generally require that any person otherwise qualified with a disability shall, not be excluded from participation in, or denied the benefits of, or otherwise subjected to discrimination, in any program, or activity receiving federal assistance, by reason of that disability.

8. <u>AGE DISCRIMINATION ACT</u>:

The 1975 Age Discrimination Act, as amended, (42 U.S.C.§ 6101 <u>et.seq.)</u> provides that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age, under any program, or activity receiving federal funds.

9. <u>EXECUTIVE ORDER (EO) 11246</u>:

This EO, as amended, provides that no person shall be discriminated against, on the basis of race, color, religion, sex, or national origin, in any phase of employment during the performance of federal contracts in excess of $10,000.

10. <u>OMB SUPERCIRCULAR</u>:

The applicant will comply with the provisions of 2 CFR part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” in utilizing any funds awarded pursuant to this RFP including but not limited to the following:

1. <u>Conflict Of Interest</u>:

a. The Applicant must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the Applicant may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the Applicant may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Applicant.

b. If the Applicant has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the Applicant must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the Applicant is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

c. The Applicant's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

2. **Internal Controls.**
The Applicant must:

a. Establish and maintain effective internal control over federal funds that provides reasonable assurance that the Applicant is managing federal funds in compliance with Federal statutes, regulations, and the terms and conditions of the federal funding. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

b. Comply with Federal statutes, regulations, and the terms and conditions of federal funds.

c. Evaluate and monitor the Applicant’s compliance with statutes, regulations and the terms and conditions of the federal funds.

d. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

e. Take reasonable measures to safeguard protected personally identifiable information and other information that IHCDA or HUD designates as sensitive or the Applicant considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

11. MINORITY AND WOMEN’S BUSINESS ENTERPRISES
Positive efforts shall be made by applicants to utilize small businesses, minority firms, and women's business enterprises whenever possible. Recipients of federal awards shall take all of the following steps to further this goal:

1. Ensure that the small businesses, minority owned firms, and women’s business enterprises are used to the fullest extent possible.

2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms, and women's business enterprises.

3. Consider, in the contract process, whether firms competing for contracts intend to subcontract with small businesses, minority owned firms, and women's business enterprises.

4. Encourage contracting with consortiums of small businesses, minority-owned firms, and women’s business enterprises, when a contract is too large for one of these firms to handle individually.

5. Use the services and assistance, as appropriate, of such organizations as the federal Small Business Administration and the Indiana Department of Administration's minority business development division in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

12. ANTI-LOBBYING:
Pursuant to 31 U.S.C. § 1352, and any regulations promulgated there under, applicant hereby assures and certifies, to the best of his or her knowledge and belief, that no federally appropriated funds have been paid, or will be paid, by or on behalf of applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress, in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

13. RELIGIOUS ACTIVITIES:
Applicant agrees that activities conducted with funding obtained through this agreement shall be non-sectarian in nature and that religious activities shall not be included in any activities to be conducted hereunder. This does not restrict a religious organization from using its personnel or offices for the purposes of the program as long as program activities are kept separate and participation in religious activity is not a requirement for a ESG-RR program participant.

14. CONFLICT OF INTEREST DISCLOSURE:
The applicant must disclose in writing any potential conflict of interest to IHCDA.

15. MANDATORY DISCLOSURE: The applicant must disclose, in a timely manner, in writing to IHCDA all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Award. The applicant's failure to make these disclosures may subject to the applicant to remedies of non-compliance set forth in 2 CFR 200.338.

If the total value of the applicant's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of this Federal award, then the applicant must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

16. CONFIDENTIALITY:
The applicant must develop and implement written procedures to ensure:

(i) All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential;

(ii) The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and

(iii) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the applicant and consistent with state and local laws regarding privacy and obligations of confidentiality.

The confidentiality procedures of the applicants must be in writing and must be maintained in accordance with this section.

17. TERMINATING ASSISTANCE:

1. In general. If a program participant violates program requirements, the subrecipient may terminate the assistance in accordance with a formal process established by the subrecipient that recognizes the rights of individuals affected. The subrecipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.
2. Program participants receiving rental assistance or housing relocation and stabilization services. To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of:
    a. Written notice to the program participant containing a clear statement of the reasons for termination;

    b. A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and

    c. Prompt written notice of the final decision to the program participant.

J. RFP TERMS AND CONDITIONS

This RFP is issued subject to the following terms and conditions:

1. This RFP is a request for the submission of qualifications but is not itself an offer and shall under no circumstances be construed as an offer.
2. IHCDA expressly reserves the right to modify or withdraw this request at any time, whether before or after any qualifications have been submitted or received.
3. IHCDA reserves the right to reject and not consider any or all respondents that do not meet the requirements of this RFP, including but not limited to: incomplete qualifications and/or qualifications offering alternate or non-requested services.
4. IHCDA reserves the right to reject any or all companies, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed to be in its best interest.
5. In the event the party selected does not enter into the required agreement to carry out the purposes described in this request, IHCDA may, in addition to any other rights or remedies available at law or in equity, commence negotiations with another person or entity.
6. In no event shall any obligations of any kind be enforceable against IHCDA unless and until a written agreement is entered into.
7. The applicant agrees to bear all costs and expenses of its response and there shall be no reimbursement for any costs and expenses relating to the preparation of

responses of qualifications submitted hereunder or for any costs or expenses incurred during negotiations.

8. By submitting a response to this request, the applicant waives all rights to protest or seek any remedies whatsoever regarding any aspect of this request, the selection of another respondent or respondents with whom to negotiate, the rejection of any or all offers to negotiate, or a decision to terminate negotiations.
9. IHCDA reserves the right not to award a contract pursuant to the RFP.
10. All items become the property of IHCDA upon submission and will not be returned to the applicant.
11. IHCDA reserves the right to split the award between multiple applicants and make the award on a category-by-category basis and/or remove categories from the award.
12. The applicant certifies that neither it nor its principals, contractors, or agents are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from utilizing federal funds by any federal or state department or agency.
13. By submitting a response to this RFP, the respondent acknowledges the acceptance of IHCDA's Award Agreement Boilerplate and the understanding that such Boilerplate is non-negotiable.
14. **An award of ESG funding is also contingent upon IHCDA receiving ESG funding from HUD.**

K. SUBMITTING THE APPLICATION

Completed ESG applications must be received electronically via electronic Application Form by IHCDA no later than July 26, 2024, at 5PM Eastern Time .

Supporting Documentation Checklist: the following should be attached to your application in the electronic system.	
	Letter of 501(c)3 non-profit determination.
	Letter of match commitment for total amount requested for ESG across all program types.
	General Liability Insurance documentation to evidence policy (Summary page showing coverage is all that is needed).
	Fidelity Bond Insurance documentation to evidence policy or bond (amount should be equal to ½ of the total annual funding provided by the state and should cover all employees/board members handling funds).
	Articles of Incorporation (new applicants only).
	SAM printout of eligibility verification page (See Threshold question #2)

Applicant must retain a copy of these application policies. If the Applicant receives funding pursuant to this RFP, it will be bound by the requirements contained herein.

Email communityservices@ihcda.in.gov with questions.

Indiana Housing & Community Development Authority

Emergency Solutions Grant
Shelter
2024 Request for Proposal

ISSUE DATE: July 10, 2024
RESPONSE DEADLINE: July 26, 5 PM EST

Emergency Solutions Grant
Shelter Program - Request for Proposals (FY2024)
Indiana Balance of State Continuum of Care

DUE DATE

Applicant's proposal must be submitted electronically via the Electronic Application form only and received by IHCDA no later than July 26, 2024, at 5 PM Eastern Time. Applications received after this date and time will not be considered or accepted. Faxed, emailed or mailed applications will *not* be considered or accepted. This year's application tool only requires one application for all program types. Please use the following link to apply:

https://www.surveymonkey.com/r/VXNF58B

Hit the SUBMIT button on the electronic application only after you have double checked your answers and uploaded required documents.

AWARD AMOUNT

The Award is contingent on IHCDA's receipt of ESG funding from HUD:

A. The maximum request and award amount for an organization that received a 2023 ESG award from IHCDA is $60,000.
B. The maximum request for any organization that did NOT receive a 2023 ESG award from IHCDA is $25,000.
C. The award term is one year: July 1, 2024, to June 30, 2025

2024-2025 REQUIREMENTS FOR THE ESG PROGRAM:

ELIGIBLE APPLICANTS

A. THRESHOLD REQUIREMENTS

Applicants must meet the following Ten (10) requirements to be considered for an ESG award:

1) Applicant must be a private nonprofit organization (defined as tax-exempt secular or religious organization described in section 501(c) of the Internal Revenue Code). Documentation confirming the Applicant's status must be submitted with its application.
2) Applicant must certify that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from doing business or receiving funds from any federal agency or by any department, agency or political subdivision of the State.

   Applicant must take the following steps to confirm its status and obtain a Unique Entity ID (UEI):

   a) Visit the following link: https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf
   b) Type the Applicant's name where it is asked to "Enter your specific search term"
   c) Press the box entitled "View Details"
   d) Print the results/save as a PDF; and
   e) Submit the results with the application as a PDF along with the other required supporting documentation.
3) Applicant must not have any unresolved IHCDA or HUD findings or must not have had any state or federal funds recaptured due to non-compliance.
4) In order to ensure that the Continuum of Care is obtaining feedback from all of its partners and incorporating that feedback into its goals and work, the Applicant is required to attend and participate in the regional planning council. Applicant must actively attend its regional planning

council on the homeless meetings. Active participation is defined as attendance to at least 75% of all meetings during the previous calendar year.

5) Applicant must be located in Balance of State Continuum of Care region (IN-502), which currently includes every county in the State of Indiana except Marion County.
6) Applicant must have conducted a street/unsheltered count during the 2024 Point in Time Count in January 2024.
7) If Applicant's shelter program houses children under age 18, Applicant must never use the age or gender of a child as a basis for denying a family's admission to the shelter.
8) Applicant's program must not include mandatory services for clients as a requirement for assistance.
9) 100% of all shelter program clients must meet HUD's definition of homeless. (See HUD's homeless definition in Section B of the RFP).
10) In Accordance with 24 CFR 576, the Applicant must describe how it will make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. The description should include how it will take appropriate steps to ensure effective communication with persons with disabilities. (including, but not limited to, adopting procedures that will make available information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities.)

B. SUB-RECIPIENT REQUIREMENTS

If Applicant is selected to receive an ESG award it will be considered a sub-recipient and will need to also comply with requirements that are applicable to "subrecipients" of ESG funding:

1) Subrecipients must be actively providing services to **homeless persons as defined by HUD** in paragraph below.
   - An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
     1. Has a primary nighttime residence that is a public or private place not meant for human habitation;
     2. Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government program); or
     3. Is exiting an institution where (s) he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
   - Individual or family who will imminently lose their primary nighttime residence, provided that:
     1. Residence will be lost within 14 days of the date of application for homeless assistance;
     2. No subsequent residence has been identified; and
     3. The individual or family lacks the resources or support networks needed to obtain other permanent housing
   - Any individual or family who:
     1. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that related to violence against the individual or family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
     2. Has no other residence; and
     3. Lacks the resources or support networks e.g., family, friends, faith-based or other social networks, to obtain other permanent housing
2) Data Collection:

- HMIS: Subrecipients of the Emergency Solutions Grant are required to enter all HMIS required data for homeless clients into Client Track, please contact the HMIS helpdesk hmishelpdesk@ihcda.in.gov. Domestic Violence Shelters are exempt from the HMIS requirement.
- Domestic Violence Shelters: Domestic violence shelters are required to operate a comparable database. Information entered into a comparable database cannot be entered directly into or provided to HMIS. A comparable database must, but is not limited to collect client-level data over time (i.e., longitudinal data), generate unduplicated aggregate reports from that data, and collect all of the HMIS universal data elements listed in Section F of this RFP. To sign up for the DV Version of Client Track, please contact the DV ClientTrack helpdesk at dvhelpdesk@ihcda.in.gov. The data provided into the system will be restricted to each organization and will be in compliance with the Violence Against Women's Act.

3) Subrecipient must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area.
4) Subrecipient must, to the maximum extent practicable, have a person on the Board of Directors with lived experience in a homeless situation, (homeless or previously homeless) and involve homeless individuals and families in maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.
5) Subrecipients must have Internet access with regular availability of e-mail and use a financial software system for accounting purposes.
6) Subrecipient must sign an award agreement with IHCDA.
7) Subrecipients will be required to complete 2 semi-annual Match/Spending Reports, due on January 30, 2025, and July 30, 2025.
8) Only one ESG-Shelter proposal may be submitted per organization.
9) Subrecipient is required to participate in HUD's annual homeless Point-In-Time count held in late January.
10) Subrecipient is required to attend all IHCDA Award Training Webinar and any other ESG related trainings required by ESG Analyst. Dates and registration information will be e-mailed to the Subrecipient.
11) Subrecipient must comply with the requirements set forth in HUD's Equal Access Rule. See below for details.

12) **Appropriate Placement for Transgender Persons in Single-Sex Emergency Shelters and Other Facilities**

On February 3, 2012, HUD published the *Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity* final rule (Equal Access Rule) (77 FR 20 5662). This final rule requires that HUD's housing programs be made available to individuals and families without regard to actual or perceived sexual orientation, gender identity, or marital status. The rule defines "gender identity" to mean "actual or perceived gender-related characteristics." 24 CFR 5.100; 77 FR at 5665. The final rule also prohibits owners and administrators of HUD-assisted or HUD-insured housing, approved lenders in an FHA mortgage insurance program, and any other recipients or subrecipients of HUD funds from inquiring about sexual orientation or gender identity to determine eligibility for HUD-assisted or HUD-insured housing. The rule does not, however, prohibit voluntary self-identification of sexual orientation or gender identity, and it provides a limited exception for inquiries about the sex of an individual to determine eligibility for temporary, emergency shelters with shared sleeping areas or bathrooms, or to determine the number of bedrooms to which a household may be entitled. 24 CFR 5.105(a)(2).

13) **HUD Guidance for Single-Sex Emergency Shelters or Other Facilities that Receive ESG, HOPWA, or CoC Funds**

Assignments

HUD assumes that a recipient or subrecipient ("provider") that makes decisions about eligibility for or placement into single-sex emergency shelters or other facilities will place a potential client (or current client seeking a new assignment) in a shelter or facility that corresponds to the gender with which the person identifies, taking health and safety concerns into consideration. A client's or potential client's own views with respect to personal health and safety should be given serious consideration in making the placement. For instance, if the potential client requests to be placed based on his or her sex assigned at birth, HUD assumes that the provider will place the individual in accordance with that request, consistent with health, safety, and privacy concerns. HUD assumes that a provider will not make an assignment or re-assignment based on complaints of another person when the sole stated basis of the complaint is a client or potential client's non-conformance with gender stereotypes.

Appropriate and Inappropriate Inquiries Related to Sex

For temporary, emergency shelters with shared sleeping areas or bathrooms, the Equal Access Rule permits shelter providers to ask potential clients and current clients seeking a new assignment their sex. Best practices suggest that where the provider is uncertain of the client's sex or gender identity, the provider simply informs the client or potential client that the agency provides shelter based on the gender with which the individual identifies. There generally is no legitimate reason in this context for the provider to request documentation of a person's sex in order to determine appropriate placement, nor should the provider have any basis to deny access to a single-sex emergency shelter or facility solely because the provider possesses identity documents indicating a sex different than the gender with which the client or potential client identifies. The provider may not ask questions or otherwise seek information or documentation concerning the person's anatomy or medical history. Nor may the provider consider the client or potential client ineligible for an emergency shelter or other facility because his or her appearance or behavior does not conform to gender stereotypes.

Privacy

If a client expresses safety or privacy concerns, or if the provider otherwise becomes aware of privacy or safety concerns, the provider must take reasonable steps to address those concerns. This may include, for example: responding to the requests of the client expressing concern through the addition of a privacy partition or curtain; provision to use a nearby private restroom or office; or a separate changing schedule. The provider must, at a minimum, permit any clients expressing concern to use bathrooms and dressing areas at a separate time from others in the facility. The provider should, to the extent feasible, work with the layout of the facility to provide for privacy in bathrooms and dressing areas. For example, toilet stalls should have doors and locks and there should be separate showers stalls to allow for privacy. The provider should ensure that its policies do not isolate or segregate clients based upon gender identity.

Example as it relates to Domestic Violence Providers

A recipient that operates a sex-segregated or sex-specific program should assign a beneficiary to the group or service which corresponds to the gender with which the beneficiary identifies, with the following considerations. In deciding how to house a victim, a recipient that provides sex-segregated housing may consider on a case-by-case basis whether a particular housing assignment would ensure the victim's health and safety. A victim's own views with respect to personal safety deserve serious consideration. The recipient should ensure that its services do not isolate or segregate victims based upon actual or perceived gender identity. A recipient may not make a determination about services for one beneficiary based on the complaints of another beneficiary when those complaints are based on gender identity.

14) Violence Against Women Reauthorization Act ("VAWA") OF 2013:

The following requirements apply to emergency shelters funded under §576.102:

1. No individual or family may be denied admission to or removed from the emergency shelter on the basis or as a direct result of the fact that the individual or family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the individual or family otherwise qualifies for admission or occupancy.
2. The terms "affiliated individual," "dating violence," "domestic violence," "sexual assault," and "stalking" are defined in 24 CFR 5.2003.

C. ELIGIBLE ACTIVITIES:

1) EMERGENCY SHELTER

a) **Shelter Operations:** Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

b) **Essential Services**: ESG funds may be used to provide essential services to individuals and families who are in an emergency shelter, as follows:

1. **Case Management**- the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant, including component services and activities consisting of using the I-HOPE tool, Arizona Self Sufficiency Matrix, working with local Rapid Re-housing program, conducting the initial evaluation, verifying and documenting eligibility, counseling, developing, securing and coordinating services and obtaining Federal, State and local benefits; Monitoring and evaluating program participant progress; Providing information and referrals to other providers; Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault and stalking.
2. **Child Care-** The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.
3. **Education Services-** When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
4. **Employment Assistance and Job Training-** The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and

tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

5. **Outpatient Health Services-** Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and noncosmetic dental care.
6. **Legal Services-** (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. (C) Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants. (D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling. (E) Fees based on the actual service performed (*i.e.,* fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services. (F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.
7. **Life Skills Training-** The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.
8. **Mental Health Services-** (A) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. (B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. (C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. (D) Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
9. **Substance Abuse Treatment Services**- (A) Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. (B) ESG funds may only be used for these services to the extent that other appropriate substance abuse

treatment services are unavailable or inaccessible within the community. (C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

10. **Transportation-** Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following: (A) The cost of a program participant's travel on public transportation; (B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants; (C) The cost of purchasing or leasing a vehicle for the recipient or subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and (D) The travel costs of recipient or subrecipient staff to accompany or assist program participants to use public transportation.
11. **Services for Special Populations**. ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1)(i) through (a)(1)(x) of this section. The term *victim services* means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

c) **RAPID RE-HOUSING (SHORT TERM):**

ESG funds awarded through the ESG-Shelter Application may be used to provide housing relocation and stabilization services, short- term financial assistance, and to pay for rental arrears as necessary to assist in rapidly re-housing homeless individuals or families into permanent housing. This activity is *only* available to shelters in regions that do not have an ESG funded Rapid Re-housing program. Rapid Re-housing assistance may be provided to program participants who meet the criteria of the ''homeless'' definition listed in Section B of this RFP or meet the criteria under paragraph (1) of the "homeless" definition in 24 CFR 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless" definition. The Rapid Re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in § 576.105, and area-wide systems coordination requirements and procedures established under § 576.400.

a) **HOUSING RELOCATION & STABILIZATION – FINANCIAL ASSISTANCE:**

1. **Rental Application Fees-** ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
2. **Security Deposits**- ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
3. **Last Month's Rent**- If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent.
4. **Utility Deposits**- ESG funds may pay for a standard utility deposit required by the utility company for all customers for the following utilities: gas, electric, water, and sewage.
5. **Utility Payments**- ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments.

Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 8 months of utility assistance, including arrears, within any 24 month period.

6. **Moving Costs**- ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

b) RENTAL ASSISTANCE:

1. **Rental Arrears-** Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
2. **First Month's rent-** Payment of first month's rent only. Cannot exceed one month of rental payment.

c) HOUSING RELOCATION & STABILIZATION - SERVICES:

1. **Housing Search and Placement**. Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
   i. Assessment of housing barriers, needs, and preferences;
   ii. Development of an action plan for locating housing;
   iii. Housing search; Outreach to and negotiation with owners;
   iv. Assistance with submitting rental applications and understanding leases;
   v. Assistance with obtaining utilities and making moving arrangements; and
   vi. Tenant counseling.
2. **Housing Stability Case Management**. ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 12 months during the period the program participant is living in permanent housing. Component services and activities consist of:
   i. Using the centralized or coordinated assessment system as required under § 576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;
   ii. Counseling;
   iii. Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
   iv. Monitoring and evaluating program participant progress;
   v. Providing information and referrals to other providers;
   vi. Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
   vii. Conducting re-evaluations required under § 576.401(b).
3. **Mediation**. ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
4. **Credit repair**. ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment for modification of a debt.

D. CLAIMS FOR REIMBURSEMENT:

Subrecipients are responsible for claiming funds on a monthly basis through IHCDA Online. The funds will only be disbursed for eligible expenses. Subrecipients can receive up to Twelve disbursements for the fiscal year through an IHCDA defined process. IHCDA expects that sub-recipients have adequate accounting practices to ensure that all funds are tracked at the client and activity level. The fiscal year for the grant begins on July 1, 2024 and ends on June 30, 2025. Claims for reimbursement must be submitted through IHCDA Online. Supporting documentation must be submitted electronically through IHCDA Online. All ESG funds must be committed within 12 months and expended within 12 months. Accordingly, IHCDA reserves the right to reallocate ESG funds to another program in the Balance of State Continuum if a sub-recipient cannot meet the above requirement.

E. ACCESS TO RECORDS/INSPECTIONS:

Financial records, supporting documents, statistical records, and all other records related to the ESG award must be retained for a period of five (5) years from the date of submission of the final expenditure report or closeout of the grant, whichever is occurs later. HUD, Inspectors General, the Comptroller General of the United States, and IHCDA, or any of their authorized representatives or sub-contractors, must have the right of access to any documents, papers, or other records of the Applicant, in order to make audits, examinations, excerpts, and transcripts so long as no identifiable data about persons who receive service is released (See 68 Fed. Reg., 43450) (7/22/2003). The right also includes timely and reasonable access to the Applicant's personnel for the purpose of interview and discussion related to such documents.

The subrecipient shall provide IHCDA all necessary records, data, information, and documentation required for IHCDA to perform its oversite obligations.

F. HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) SOFTWARE REQUIREMENT:

The sub-recipient must ensure that data on all persons served and all activities assisted under ESG are entered into the Homeless Management Information System ("HMIS") in accordance with HUD's standards on participation, data collection, and reporting requirements. The sub-recipient is required to enter data into the Homeless Management Information System ("HMIS") on a regular and consistent basis. "Regular and consistent" means within a five day (5) day period of intake or discharge. Data must be entered for the ESG funded shelter program and all other residential programs serving homeless individuals and families. The data required for entry into HMIS includes the following data elements: Name, Social Security Number, Date of Birth, Ethnicity, Race, Gender, Veteran Status, Disabling Condition, Residence Prior to Program Entry, Zip Code, Length of Stay at Previous Residence and Homeless Cause. The sub-recipient agrees to collect any other data elements as required by HUD as it updates its HMIS data standards, from time to time. The sub-recipient is required to update a client's status annually. These updates should be completed at intake and discharge and at client's annual recertification. IHCDA will monitor entry progress and data quality on a regular basis. For any questions related to implementing HMIS in your shelter, please contact the HMIS helpdesk hmishelpdesk@ihcda.in.gov. Victim services providers are not allowed to enter data into the HMIS but must enter data into a comparable database as described below.

If sub-recipient is a victim service provider it must enter client-level data on ESG beneficiaries/clients into a comparable database, which collects all of the HMIS universal data elements listed in this paragraph and generates unduplicated aggregate reports. Victim service providers are encouraged to use IHCDA's ClientTrack database. The data required for entry into IHCDA's ClientTrack database or the victim service provider's comparable database must include the following data elements: Name, Social Security Number, Date of Birth, Ethnicity, Race, Gender, Veteran Status, Disabling Condition, Residence Prior to Program Entry, Zip Code, Length of Stay at Previous Residence and Homeless Cause. The sub-recipient agrees to collect any other data elements as required by HUD as it updates its HMIS data standards, from time to time. The sub-recipient is required to update a client's status annually. These updates should be completed at intake and discharge and at client's annual recertification. To sign up for DV Client Track, please contact the DV ClientTrack helpdesk at dvhelpdesk@ihcda.in.gov. Victim service providers within the Balance of State Continuum of Care can choose to opt into Client Track. The data provided into the system will be restricted to each organization and will be in compliance with the Violence Against Women's Act. The system will collect client-level data over time including, but not limited to all of HMIS's universal data elements, and generate unduplicated aggregate reports based on the data. Information entered into this comparable database will not be entered directly into or provided to an HMIS.

G. COORDINATED ENTRY:
Subrecipient must use the coordinated entry process established by the CoC as set forth in § 578.7(a)(8) to evaluate individuals and families applying ESG Services.

MATCH:
Each subrecipient must match dollar-for-dollar the ESG funding provided by HUD with funds from other public or private sources. A subrecipient may comply with this requirement through matching funds or voluntary efforts provided by any recipient or project sponsor.

Matching funds must be provided after the date of the grant award to the subrecipient. Funds used to match a previous ESG grant may not be used to match a subsequent grant award. No federal funds can be used for match, with the exception of Community Development Block Grant (CDBG) and Community Service Block Grant (CSBG) funds. It is important to note that any CSBG funds used for matching the ESG program must be used for CSBG purposes, and in accordance with the requirements of, both CSBG and the ESG program.
Each subrecipients is required to contribute 100% match to its ESG program. For example, if the ESG award is $10,000, the subrecipient must demonstrate $10,000 as match. The following items may be used as match:

Type of Match	Documentation required
Cash/Grant	Award letter
Value or fair rental value of any donated material or building	Documentation of value of donated material or building. Documentation of previous year's match.
Value of any lease on a building	Documentation of value of lease on a building
Any salary paid to staff to carry out the program of the subrecipient	Timecards of staff member. Proof of salary payment (cancelled checks / bank statements). Summary list of all salaries counted as match. List should contain staff name, hours worked and total monetary value of time worked.
Value of the time and services contributed by volunteers to carry out the program of the subrecipient. (Note: Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the local community.)	List containing all volunteer names, number of hours worked and total value of time contributed.

Examples of Potential ESG Match Sources

Below are some examples of match that could be used as ESG match. Please note that in order for the match to be counted, the source must be eligible and its use must be an eligible ESG activity. Match can be provided by the subrecipient itself OR any other community agency, but must directly benefit the ESG participants and be provided during the award term in order to be counted. This list is not exhaustive.

In-Kind	Cash
211 Helpline: Time conducting Coordinated Entry assessments or other eligible expenses.	CDBG, CSBG
AIDS/HIV-related services provided to ESG participants	City or County funds
Alcohol and substance abuse services	Community Action Agencies
Bookkeeping/Administrative services for ESG program (but not billed to ESG)	Donations received as a result of the Neighborhood Assistance Program
Budgeting, credit repair service provided to participants in the community (but not billed to ESG)	ICJI grants, as eligible
Case management (not billed to ESG)	Local Foundations
Child care	Private donations
Clothing, Household, Hygiene items donated	Program income
Community Center - educational meetings related to housing, transportation vouchers, other eligible financial assistance	United Way
Donation Inventory Management	Township Trustees(s) assistance provided to ESG participants
Education, GED, classes (parenting)	
Employment assistance & Job Training	
Emergency Shelter/ Transitional Housing - services provided in program, not billed to ESG	
Faith Based Community; Ecumenical/Ministerial associations	
Food donated to participants by local churches (food stamps *cannot* be counted)	
Furniture donated	
Health care provided by local clinic/hospital	
Housing Food kit, Move-in kit preparation	
Housing placement	
Hygiene Kit preparation	
Legal Services	
Life skills Training not billed to ESG	
Mental health services (CMHC's)	
Minority Health Coalitions	
Motel Stays	
Move in Kits donated	
Office space donated	
Street Outreach: Engagement, case management, emergency mental health services, transportation, services to special populations	
Outpatient Health services - Community Health Centers, other medical centers	
Rent, not paid with ESG	
Renovation of shelter facility, benefiting ESG participants	
School Corporations- eligible services provided to ESG	

participants	
Transportation	
Utilities, not paid with ESG	
Utility Companies- any amount that is waived from arrears or deposits off of amount due	
Volunteer - professional - local, customary rate	

H. CERTIFICATIONS

When Applicant submits an application in response to this RFP, it is certifying that it will comply with the following certifications and the RFP terms and conditions listed in the next section.

1. <u>AUTHORITY OF APPLICANT AND ITS REPRESENTATIVE</u>:

The authorized representative of the Applicant who signs the certifications and assurances affirms that both the Applicant and its authorized representative have adequate authority under state and local law and internal rules of the Applicant organization to:

a. Execute and return the application.
b. Execute and return the required certifications, assurances, and agreements on behalf of the Applicant and,
c. Execute agreements on behalf of the Applicant.
d. Understand that intentional falsification, concealment or cover up by any trick, scheme or devise of any information, charts, data, attachments, or materially false, fictitious or fraudulent statement or representation of any information, submitted by the Applicant will permanently disqualify the Applicant from applying for funds under this program's initiatives.

2. <u>HOMELESS PERSONS INVOLVEMENT</u>:

Applicant must, to the maximum extent practicable, have a person on the Board of Directors with lived experience in a homeless situation, (homeless or previously homeless) and involve homeless individuals and families in maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

3. <u>SUPPORTIVE SERVICES</u>:

The Applicant will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local and private assistance available for such individuals.

4. <u>STANDARD ASSURANCES</u>:

The Applicant assures that it will comply with all applicable federal statutes, regulations, executive orders, circulars, and other federal administrative requirements in carrying out the grant.

The Applicant acknowledges that if it is selected to receive ESG funding it will be under a continuing obligation to comply with the terms and conditions of the ESG grant and recognizes that federal laws, regulations, policies and, administrative practices, may be amended from time-to-time and may affect the implementation of the project.

5. <u>DEBARMENT AND SUSPENSION</u>:

The Applicant warrants that it has no current or outstanding criminal, civil, or enforcement actions initiated to by the State pending, and agrees that it will immediately notify the State and the IHCDA of any such actions. During the term of such actions, the Applicant agrees that IHCDA may delay, withhold, or deny work under any supplement, amendment or contractual device issued pursuant to this Agreement.

The Applicant certifies that it or its principals have not been convicted of nor had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction, or have not been terminated for cause or default. The Applicant certifies that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from doing business or receiving funds from any federal agency or by any department, agency or political subdivision of the State. The term "principal" for purposes of this certification means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Applicant.

In addition, the Applicant certifies that it will not contract with parties listed on the government wide exclusions in the System for Award Management ("SAM"), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 and 12689 "Debarment and Suspension."

6. DRUG FREE CERTIFICATION:
The Applicant will publish, or has published, a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against the employees for violation of that prohibition.

Establish an ongoing drug-free awareness program to inform its employees about: (1) the dangers of drug abuse in its workplace; (2) the Applicant's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs, and (4) the penalties that may be imposed upon its employees for drug abuse violations occurring in the workplace.

Making it a requirement that each of its employees engaged in the performance of the grant be furnished a statement of the Applicant's drug policy.

7. NON-DISCRIMINATION:
The Applicant will comply with Title VI of the 1964 Civil Rights Act, as amended (42 u.s.c.§ 2000d et.seq.) the Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), and the Americans with Disabilities Act (ADA), as amended, (42 U.S.C. § 12101 et seq.)

The Civil Rights Act generally requires that Applicant assure that no person otherwise qualified, on the basis of race, color, national origin, creed, sex, or age will be excluded from participation in or be denied the benefits of, or otherwise discriminated against in any program, or activity conducted by the Applicant.

The Rehabilitation Act and ADA generally require that any person otherwise qualified with a disability shall, not be excluded from participation in, or denied the benefits of, or otherwise subjected to discrimination, in any program, or activity receiving federal assistance, by reason of that disability.

8. AGE DISCRIMINATION ACT:
The 1975 Age Discrimination Act, as amended, (42 U.S.C.§ 6101 et.seq.) provides that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age, under any program, or activity receiving federal funds.

9. EXECUTIVE ORDER (EO) 11246:
This EO, as amended, provides that no person shall be discriminated against, on the basis of race, color, religion, sex, or national origin, in any phase of employment during the performance of federal contracts in excess of $10,000.

10. OMB SUPERCIRCULAR:
The Applicant will comply with the provisions of 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" in utilizing any funds awarded pursuant to this RFP including but not limited to the following:

11. Conflict Of Interest:

a. The Applicant must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the Applicant may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the Applicant may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Applicant.

b. If the Applicant has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the Applicant must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the Applicant is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

c. The Applicant's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

12. Internal Controls.
The Applicant must**:**

a. Establish and maintain effective internal control over federal funds that provides reasonable assurance that the Applicant is managing federal funds in compliance with Federal statutes, regulations, and the terms and conditions of the federal funding. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

b. Comply with Federal statutes, regulations, and the terms and conditions of federal funds.

c. Evaluate and monitor the Applicant's compliance with statutes, regulations and the terms and conditions of the federal funds.

d. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

e. Take reasonable measures to safeguard protected personally identifiable information and other information that IHCDA or HUD designates as sensitive or the Applicant considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

13. MINORITY AND WOMEN'S BUSINESS ENTERPRISES:
Positive efforts shall be made by Applicant to utilize small businesses, minority firms, and women's business enterprises whenever possible. Recipients of federal awards shall take all of the following steps to further this goal:

1. Ensure that the small businesses, minority owned firms, and women's business enterprises are used to the fullest extent possible.

2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms, and women's business enterprises.

3. Consider, in the contract process, whether firms competing for contracts intend to subcontract with small businesses, minority owned firms, and women's business enterprises.

4. Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises, when a contract is too large for one of these firms to handle individually.

5. Use the services and assistance, as appropriate, of such organizations as the federal Small Business Administration and the Indiana Department of Administration's minority business development division in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

14. ANTI-LOBBYING:
Pursuant to 31 U.S.C. § 1352, and any regulations promulgated there under, Applicant hereby assures and certifies, to the best of his or her knowledge and belief, that no federally appropriated funds have been paid, or will be paid, by or on behalf of Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress, in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

15. RELIGIOUS ACTIVITIES:
Applicant agrees that activities conducted with funding obtained through this agreement shall be non-sectarian in nature and that religious activities shall not be included in any activities to be conducted hereunder. This does not restrict a religious organization from using its personnel or offices for the purposes of the program as long as program activities are kept separate and participation in religious activity is not a requirement for a ESG-RR program participant.

16. CONFLICT OF INTEREST DISCLOSURE:
The Applicant must disclose in writing any potential conflict of interest to IHCDA.

17. MANDATORY DISCLOSURE:

The Applicant must disclose, in a timely manner, in writing to IHCDA all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Award. The Applicant's failure to make these disclosures may subject to the Applicant to remedies of non-compliance set forth in 2 CFR 200.338.

If the total value of the Applicant's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of this Federal award, then the Applicant must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

18. CONFIDENTIALITY:

The Applicant must develop and implement written procedures to ensure:

(i) All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential;

(ii) The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and

(iii) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the Applicant and consistent with state and local laws regarding privacy and obligations of confidentiality.

The confidentiality procedures of the Applicant must be in writing and must be maintained in accordance with this section.

19. TERMINATING ASSISTANCE:

- If a program participant violates program requirements, the subrecipient may terminate the assistance in accordance with a formal process established by the subrecipient that recognizes the rights of individuals affected. The subrecipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

I. RFP TERMS AND CONDITIONS

This RFP is issued subject to the following terms and conditions:

A. This RFP is a request for the submission of qualifications but is not itself an offer and shall under no circumstances be construed as an offer.

B. IHCDA expressly reserves the right to modify or withdraw this request at any time, whether before or after any qualifications have been submitted or received.

C. IHCDA reserves the right to reject and not consider any or all respondents that do not meet the requirements of this RFP, including but not limited to: incomplete qualifications and/or qualifications offering alternate or non-requested services.

D. IHCDA reserves the right to reject any or all companies, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed to be in its best interest.

E. In the event the party selected does not enter into the required agreement to carry out the purposes described in this request, IHCDA may, in addition to any other rights or remedies available at law or in equity, commence negotiations with another person or entity.

F. In no event shall any obligations of any kind be enforceable against IHCDA unless and until a written agreement is entered into.

G. The Applicant agrees to bear all costs and expenses of its response and there shall be no reimbursement for any costs and expenses relating to the preparation of responses of qualifications submitted hereunder or for any costs or expenses incurred during negotiations.

H. By submitting a response to this request, the Applicant waives all rights to protest or seek any remedies whatsoever regarding any aspect of this request, the selection of another respondent or respondents with whom to negotiate, the rejection of any or all offers to negotiate, or a decision to terminate negotiations.

I. IHCDA reserves the right not to award a contract pursuant to the RFP.

J. All items become the property of IHCDA upon submission and will not be returned to the Applicant.

K. IHCDA reserves the right to split the award between multiple applicants and make the award on a category by category basis and/or remove categories from the award.

L. The Applicant certifies that neither it nor its principals, contractors, or agents are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from utilizing federal funds by any federal or state department or agency.

M. By submitting a response to this RFP, respondent acknowledges the acceptance of IHCDA's Award Agreement Boilerplate and the understanding that such Boilerplate is non-negotiable.

N. An award of ESG funding is also contingent upon IHCDA receiving ESG funding from HUD.

J. SUBMITTING THE APPLICATION

Completed ESG applications must be received electronically via Electronic Application only by IHCDA no later than July 26, 2024 5 PM Eastern Time. Applications received after this date and time will not be considered or accepted. Faxed, emailed or mailed applications will not be considered or accepted. Application attachments should be scanned and attached as one PDF document (wherever possible).

Supporting Documentation Checklist: the following should be attached to your application in the electronic system.	
	Letter of 501(c)3 non-profit determination. (new applicants only)
	Letter of match commitment for total amount requested for ESG across all program types.
	General Liability Insurance documentation to evidence policy (Summary page showing coverage is all that is needed).
	Fidelity Bond Insurance documentation to evidence policy or bond (amount should be equal to ½ of the total annual funding provided by the state and should cover all employees/board members handling funds).
	Articles of Incorporation (new applicants only).
	SAMS printout of eligibility verification page (See Threshold question #2)
	Fire Inspection Report—dated within last 6 months
	Proof of Auto Insurance (if using ESG funds for Transportation)
	Health Inspection—dated within last 6 months (if shelter serves food)
	Proof of Worker's Compensation Coverage

Applicant must retain a copy of these application policies. If the Applicant receives funding pursuant to this RFP, it will be bound by the requirements contained herein.

Email communityservices@ihcda.in.gov with questions.

Emergency Solutions Grant
Street Outreach
2024 Request for Proposal

ISSUE DATE: July 10, 2024
RESPONSE DEADLINE: July 26, 5 PM EST

Emergency Solutions Grant
Street Outreach Program - Request for Proposals (FY2024-2025)
Indiana Balance of State Continuum of Care

DUE DATE

Applicant's proposal must be submitted electronically via the Electronic Application form only and received by IHCDA no later than July 26, 2024, at 5 PM Eastern Time. Applications received after this date and time will not be considered or accepted. Faxed, emailed or mailed applications will *not* be considered or accepted. This year's application tool only requires one application for all program types. Please use the following link to apply:

https://www.surveymonkey.com/r/VXNF58B

Hit the SUBMIT button on the Electronic Application form only after you have double checked your answers and uploaded required documents.

AWARD AMOUNT

The Award is contingent on IHCDA's receipt of ESG funding from HUD:

A. The maximum request and award amount for an organization that received a 2023 ESG award from IHCDA is $50,000.
B. The maximum request for any organization that did NOT receive a 2023 ESG award from IHCDA is $25,000.
C. The award term is one year: July 1, 2024, to June 30, 2025

2024-2025 REQUIREMENTS FOR THE ESG STREET OUTREACH PROGRAM:

ELIGIBLE APPLICANTS

A. THRESHOLD REQUIREMENTS

Applicants must meet the following Seven (7) requirements to be considered for an ESG award:

1) Applicant must be a private nonprofit organization (defined as tax-exempt secular or religious organizations described in section 501c of the Internal Revenue Code, or a local unit of government in the state of Indiana. Documentation of this status must be submitted with the application.
2) Applicant must certify that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from doing business or receiving funds from any federal agency or by any department, agency or political subdivision of the State.

   Applicant must take the following steps to confirm its status and obtain a Unique Entity ID (UEI):

   a) Visit the following link: https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf
   b) Type the Applicant's name where it is asked to "Enter your specific search term"
   c) Press the box entitled "View Details"
   d) Print the results/save as a PDF; and
   e) Submit the results with the application as a PDF along with the application and other required supporting documentation.
3) Does your organization have any unresolved findings from IHCDA or HUD or any state or federal funds recaptured due to non-compliance?
4) In order to ensure that the Continuum of Care is obtaining feedback from all of its partners and incorporating that feedback into its goals and work, the Applicant is required to attend and

participate in the regional planning council. Applicant must actively attend its regional planning council on the homeless meetings. Active participation is defined as attendance to at least 75% of all meetings during the previous calendar year.
5) Applicant must be located in Balance of State Continuum of Care region (IN-502), which currently includes every county in the State of Indiana except Marion County.
6) Applicant must have conducted a street/unsheltered count during the 2024 Point in Time Count in January 2024.
7) In Accordance with 24 CFR 576, the Applicant must describe how it will make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis and describe how it will take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, the Applicant is also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

B. <u>SUBRECIPIENT REQUIREMENTS</u>

If Applicant is selected to receive an ESG award, it will be considered a sub-recipient and will need to also comply with requirements that are applicable to "subrecipients" of ESG funding:

1) All subrecipients must have Internet access with regular e-mail availability and use a financial software system for accounting purposes.
2) All subrecipients must execute an award agreement with IHCDA.
3) All subrecipients are required to attend all IHCDA Award Training Webinars and any other ESG-related trainings required by the ESG Analyst. Dates and registration information will be e-mailed to all subrecipients.
4) Subrecipients are required to match 100% of the Emergency Solutions Grant award and required to complete 2 semi-annual Match/Spending Reports, due January 30 and July 30. Sources of match may be in-kind or cash in accordance with the regulations set forth in 24 CFR Part 576.201(b).
5) Subrecipient must, to the maximum extent practicable, have a person on the Board of Directors with lived experience in a homeless situation, (homeless or previously homeless) and involve homeless individuals and families in maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteering.

6) <u>Violence Against Women Reauthorization Act ("VAWA") OF 2013:</u>

   a. No individual or family may be denied admission to or removed from the emergency shelter on the basis or as a direct result of the fact that the individual or family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the individual or family otherwise qualifies for admission or occupancy.
   b. The terms "affiliated individual," "dating violence," "domestic violence," "sexual assault," and "stalking" are defined in 24 CFR 5.2003.

Contingent on IHCDA's receipt of ESG funding from HUD, the award term is one year: July 1, 2024 through June 30, 2025.

C. <u>ELIGIBLE ACTIVITIES:</u>

Street Outreach is defined as providing essential services necessary to reach out to unsheltered homeless people to connect them with emergency shelter, housing, or critical services; and provide urgent, nonfacility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. **Unsheltered homeless people** are

those individuals and families who qualify as homeless under paragraph (1)(i) of the “homeless” definition in 24 CFR §576.2.
The eligible costs and requirements for essential services consist of:

(**1**) ***Engagement.*** The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities.
(**2**) ***Case management.*** The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system as required under § 576.400(d); conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.
(**3**) ***Emergency health services.*** (i) Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living. (ii) ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area. (iii) Eligible treatment consists of assessing a program participant’s health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and providing medication and follow-up services.
(**4**) ***Emergency mental health services.*** (i) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living. (ii) ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community. (iii) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. (iv) Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.
(**5**) ***Transportation.*** The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible. These costs include the following: (i) The cost of a program participant’s travel on public transportation; (ii) If service workers use their own vehicles, mileage allowance for service workers to visit program participants; (iii) The cost of purchasing or leasing a vehicle for the recipient or subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance for the vehicle; and (iv) The travel costs of recipient or subrecipient staff to accompany or assist program participants to use public transportation.
(**6**) ***Services for special populations.*** ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(5) of this section. The term *victim*

services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

D. CLAIMS FOR REIMBURSEMENT:

Subrecipients are responsible for claiming funds on a monthly basis through IHCDA Online. The funds will only be disbursed for eligible expenses. Subrecipients can receive up to Twelve disbursements for the fiscal year through an IHCDA defined process. IHCDA expects that sub-recipients have adequate accounting practices to ensure that all funds are tracked at the client and activity level. The fiscal year for the grant begins on July 1, 2024, and ends on June 30, 2025. Claims for reimbursement must be submitted through IHCDA Online. Supporting documentation must be submitted electronically through IHCDA Online. All ESG funds must be committed within 12 months and expended within 12 months. Accordingly, IHCDA reserves the right to reallocate ESG funds to another program in the Balance of State Continuum if a sub-recipient cannot meet the above requirement.

E. ACCESS TO RECORDS/INSPECTIONS:

Financial records, supporting documents, statistical records, and all other records related to the ESG award must be retained for a period of five (5) years from the date of submission of the final expenditure report or closeout of the grant, whichever is occurs later. HUD, Inspectors General, the Comptroller General of the United States, and IHCDA, or any of their authorized representatives or sub-contractors, must have the right of access to any documents, papers, or other records of the Applicant, in order to make audits, examinations, excerpts, and transcripts so long as no identifiable data about persons who receive service is released (See 68 Fed. Reg., 43450) (7/22/2003). The right also includes timely and reasonable access to the Applicant's personnel for the purpose of interview and discussion related to such documents.

The subrecipient shall provide IHCDA all necessary records, data, information, and documentation required for IHCDA to perform its oversite obligations.

F. HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) SOFTWARE REQUIREMENT:

The subrecipient must ensure that data on all persons served and all activities assisted under ESG-O are entered into the Homeless Management Information System ("HMIS") in accordance with HUD's standards on participation, data collection, and reporting requirements. The subrecipient is required to enter data into the HMIS on a regular and consistent basis. "Regular and consistent" means within a five (5) day period of intake or discharge. Data must be entered for the ESG-O funded shelter program and all other residential programs serving homeless individuals and families. The data required for entry into HMIS includes the following data elements: Name, Social Security Number, Date of Birth, Ethnicity, Race, Gender, Veteran Status, Disabling Condition, Residence Prior to Program Entry, Zip Code, Length of Stay at Previous Residence and Homeless Cause. The subrecipient agrees to collect any other data elements as required by HUD as it updates its HMIS data standards, from time to time. The subrecipient is required to update a client's status annually. These updates should be completed at intake and discharge and at client's annual recertification. For any questions related to implementing HMIS in your shelter, please contact the HMIS helpdesk mailto:HMISHelpDesk@ihcdaonline.comhmishelpdesk@ihcda.in.gov .Victim services providers are not allowed to enter data into the HMIS but must enter data into a comparable database as described below.

If sub-recipient is a victim service provider it must enter client-level data on ESG beneficiaries/clients into a comparable database, which collects all of the HMIS universal data elements listed in this paragraph and generates unduplicated aggregate reports. Victim service providers are encouraged to use IHCDA's ClientTrack database. The data required for entry into IHCDA's ClientTrack database or the victim service provider's comparable database must include the following data elements: Name, Social Security Number, Date of Birth, Ethnicity, Race, Gender, Veteran Status, Disabling Condition, Residence Prior to Program Entry, Zip Code, Length of Stay at Previous Residence and Homeless Cause. The sub-recipient agrees to collect any other data elements as required by HUD as it updates its HMIS data standards, from time to time. The sub-recipient is required to update a client's status annually. These updates should be completed at intake and discharge and at client's annual recertification. To sign up for DV Client Track, please contact the DV ClientTrack helpdesk at dvhelpdesk@ihcda.in.gov. Victim service providers within the Balance of State Continuum of Care can choose to opt into Client Track. The data provided into the system will be restricted to each organization and will be in compliance with the Violence Against Women's Act. The system will collect client-level data over time including, but not limited to all of HMIS's universal data elements, and generate unduplicated aggregate reports based on the data. Information entered into this comparable database will not be entered directly into or provided to an HMIS.

G. COORDINATED ENTRY:

Subrecipients must use the coordinated entry process established by the CoC as set forth in §578.7(a)(8) to evaluate individuals and families applying for ESG services.

H. MATCH

Each subrecipient must match dollar-for-dollar the ESG funding provided by HUD with funds from other public or private sources. A subrecipient may comply with this requirement through matching funds or voluntary efforts provided by any recipient or project sponsor.

Matching funds must be provided after the date of the grant award to the subrecipient. Funds used to match a previous ESG grant may not be used to match a subsequent grant award. No federal funds can be used for match, with the exception of Community Development Block Grant (CDBG) and Community Service Block Grant (CSBG) funds. It is important to note that any CSBG funds used for matching the ESG program must be used for CSBG purposes, and in accordance with the requirements of, both CSBG and the ESG program.

Each ESG Subrecipient is required to contribute 100% match to its ESG program. For example, if the ESG award is $10,000, the subrecipient must demonstrate $10,000 as match. The following items may be used as match:

Type of Match	Documentation required
Cash/Grant	Award letter
Value or fair rental value of any donated material or building	Documentation of value of donated material or building. Documentation of previous year's match.
Value of any lease on a building	Documentation of value of lease on a building
Any salary paid to staff to carry out the program by the subrecipient.	Timecards of staff member. Proof of salary payment (cancelled checks / bank statements). Summary list of all salaries counted as match. List should contain staff name, hours worked and total monetary value of time worked.
Value of the time and services contributed by volunteers to carry out the program of the subrecipient. (Note: Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the local community.)	List containing all volunteer names, number of hours worked and total value of time contributed.

Examples of Potential ESG Match Sources

Below are some examples of match that could be used as ESG match. Please note that in order for the match to be counted, the source must be eligible and its use must be an eligible ESG activity. Match can be provided by the subrecipient itself OR any other community agency, but must directly benefit the ESG participants and be provided during the award term in order to be counted. This list is not exhaustive.

In-Kind	Cash
211 Helpline: Time conducting Coordinated Entry assessments or other eligible expenses.	CDBG, CSBG
AIDS/HIV-related services provided to ESG participants	City or County funds
Alcohol and substance abuse services	Community Action Agencies
Bookkeeping/Administrative services for ESG program (but not billed to ESG)	Donations received as a result of the Neighborhood Assistance Program
Budgeting, credit repair service provided to participants in the community (but not billed to ESG)	ICJI grants, as eligible
Case management (not billed to ESG)	Local Foundations
Child care	Private donations
Clothing, Household, Hygiene items donated	Program income
Community Center - educational meetings related to housing, transportation vouchers, other eligible financial assistance	United Way
Donation Inventory Management	Township Trustees(s) assistance provided to ESG participants
Education, GED, classes (parenting)	
For more information on the HMIS, contact the HMIS helpdesk HMISHelpDesk@ihcdaonline.com . Training in use of the HMIS for the purposes of the ESG program will be provided by IHCDA.	For more information on the HMIS, contact the HMIS helpdesk HMISHelpDesk@ihcdaonline.com . Training in use of the HMIS for the purposes of the ESG program will be provided by IHCDA.
Emergency Shelter/ Transitional Housing - services provided in program, not billed to ESG	
Faith Based Community; Ecumenical/Ministerial associations	
Food donated to participants by local churches (food stamps *cannot* be counted)	
Furniture donated	
Health care provided by local clinic/hospital	
Housing Food kit, Move-in kit preparation	
Housing placement	
Hygiene Kit preparation	
Legal Services	
Life skills Training not billed to ESG	
Mental health services (CMHC's)	
Minority Health Coalitions	
Motel Stays	
Move in Kits donated	
Office space donated	
Street Outreach: Engagement, case management, emergency mental health services, transportation, services to special populations	

Outpatient Health services - Community Health Centers, other medical centers	
Rent, not paid with ESG	
Renovation of shelter facility, benefiting ESG participants	
School Corporations- eligible services provided to ESG participants	
Transportation	
Utilities, not paid with ESG	
Utility Companies- any amount that is waived from arrears or deposits off of amount due	
Volunteer - professional - local, customary rate	

I. CERTIFICATIONS

When Applicant submits an application in response to this RFP, it is certifying that it will comply with the following certifications and the RFP terms and conditions listed in the next section.

1. <u>AUTHORITY OF APPLICANT AND ITS REPRESENTATIVE</u>:

The authorized representative of the Applicant who signs the certifications and assurances affirms that both the Applicant and its authorized representative have adequate authority under state and local law and internal rules of the Applicant organization to:

1. Execute and return the application.
2. Execute and return the required certifications, assurances, and agreements on behalf of the Applicant and,
3. Execute agreements on behalf of the Applicant.
4. Understand that intentional falsification, concealment or cover up by any trick, scheme or devise of any information, charts, data, attachments, or materially false, fictitious or fraudulent statement or representation of any information, submitted by the Applicant will permanently disqualify the Applicant from applying for funds under this program's initiatives.

2. <u>HOMELESS PERSONS INVOLVEMENT</u>:

Applicant must, to the maximum extent practicable, have a person on the Board of Directors with lived experience in a homeless situation, (homeless or previously homeless) and involve homeless individuals and families in maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

3. <u>SUPPORTIVE SERVICES</u>:

The Applicant will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local and private assistance available for such individuals.

4. <u>STANDARD ASSURANCES</u>:

The Applicant assures that it will comply with all applicable federal statutes, regulations, executive orders, circulars, and other federal administrative requirements in carrying out the grant.

The Applicant acknowledges that if it is selected to receive ESG funding it will be under a continuing obligation to comply with the terms and conditions of the ESG grant and recognizes that federal laws, regulations, policies and, administrative practices, may be amended from time-to-time and may affect the implementation of the project.

5. **DEBARMENT AND SUSPENSION**:

The Applicant warrants that it has no current or outstanding criminal, civil, or enforcement actions initiated by the State pending, and agrees that it will immediately notify the State and the IHCDA of any such actions. During the term of such actions, the Applicant agrees that IHCDA may delay, withhold, or deny work under any supplement, amendment or contractual device issued pursuant to this Agreement.

The Applicant certifies that it or its principals have not been convicted of nor had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction, or have not been terminated for cause or default.

The Applicant certifies that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from doing business or receiving funds from any federal agency or by any department, agency or political subdivision of the State. The term "principal" for purposes of this certification means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Applicant.

In addition, the Applicant certifies that it will not contract with parties listed on the governmentwide exclusions in the System for Award Management ("SAM"), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 and 12689 "Debarment and Suspension."

6. **DRUG FREE CERTIFICATION**:

The Applicant will publish, or has published, a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against the employees for violation of that prohibition.

Establish an ongoing drug-free awareness program to inform its employees about: (1) the dangers of drug abuse in its workplace; (2) the Applicant's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs, and (4) the penalties that may be imposed upon its employees for drug abuse violations occurring in the workplace.

Making it a requirement that each of its employees engaged in the performance of the grant be furnished a statement of the Applicant's drug policy.

7. **NON-DISCRIMINATION**:

The Applicant will comply with Title VI of the 1964 Civil Rights Act, as amended (42 u.s.c.§ 2000d et.seq.) the Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), and the Americans with Disabilities Act (ADA), as amended, (42 U.S.C. § 12101 et seq.)

The Civil Rights Act generally requires that Applicants assure that no person otherwise qualified, on the basis of race, color, national origin, creed, sex, or age will be excluded from participation in or be denied the benefits of, or otherwise discriminated against in any program, or activity conducted by the Applicant.

The Rehabilitation Act and ADA generally require that any person otherwise qualified with a disability shall, not be excluded from participation in, or denied the benefits of, or otherwise subjected to discrimination, in any program, or activity receiving federal assistance, by reason of that disability.

8. **AGE DISCRIMINATION ACT**:

The 1975 Age Discrimination Act, as amended, (42 U.S.C.§ 6101 et.seq.) provides that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age, under any program, or activity receiving federal funds.

9. EXECUTIVE ORDER (EO) 11246:
This EO, as amended, provides that no person shall be discriminated against, on the basis of race, color, religion, sex, or national origin, in any phase of employment during the performance of federal contracts in excess of $10,000.

10. OMB SUPERCIRCULAR:
The Applicant will comply with the provisions of 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" in utilizing any funds awarded pursuant to this RFP including but not limited to the following:

1) Conflict Of Interest:

a. The Applicant must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the Applicant may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the Applicant may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Applicant.

b. If the Applicant has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the Applicant must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the Applicant is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

c. The Applicant's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

2) Internal Controls.
The Applicant must:

a. Establish and maintain effective internal control over federal funds that provides reasonable assurance that the Applicant is managing federal funds in compliance with Federal statutes, regulations, and the terms and conditions of the federal funding. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

b. Comply with Federal statutes, regulations, and the terms and conditions of federal funds.

c. Evaluate and monitor the Applicant's compliance with statutes, regulations and the terms and conditions of the federal funds.

d. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

e. Take reasonable measures to safeguard protected personally identifiable information and other information that IHCDA or HUD designates as sensitive or the Applicant considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

11. MINORITY AND WOMEN'S BUSINESS ENTERPRISES:
Positive efforts shall be made by Applicant to utilize small businesses, minority firms, and women's business enterprises whenever possible. Recipients of federal awards shall take all of the following steps to further this goal:

1. Ensure that the small businesses, minority owned firms, and women's business enterprises are used to the fullest extent possible.

2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms, and women's business enterprises.

3. Consider, in the contract process, whether firms competing for contracts intend to subcontract with small businesses, minority owned firms, and women's business enterprises.

4. Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises, when a contract is too large for one of these firms to handle individually.

5. Use the services and assistance, as appropriate, of such organizations as the federal Small Business Administration and the Indiana Department of Administration's minority business development division in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

12. ANTI-LOBBYING:
Pursuant to 31 U.S.C. § 1352, and any regulations promulgated there under, Applicant hereby assures and certifies, to the best of his or her knowledge and belief, that no federally appropriated funds have been paid, or will be paid, by or on behalf of Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress, in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

13. RELIGIOUS ACTIVITIES:
Applicant agrees that activities conducted with funding obtained through this agreement shall be non-sectarian in nature and that religious activities shall not be included in any activities to be conducted hereunder. This does not restrict a religious organization from using its personnel or offices for the purposes of the program as long as program activities are kept separate and participation in religious activity is not a requirement for an ESG program participant.

14. CONFLICT OF INTEREST DISCLOSURE:
The Applicant must disclose in writing any potential conflict of interest to IHCDA.

15. MANDATORY DISCLOSURE: The Applicant must disclose, in a timely manner, in writing to IHCDA all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Award. The Applicant's failure to make these disclosures may subject to the Applicant to remedies of non-compliance set forth in 2 CFR 200.338.

If the total value of the Applicant's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of this Federal award, then the Applicant must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

16. CONFIDENTIALITY:
The Applicant must develop and implement written procedures to ensure:

(i) All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential;

(ii) The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and

(iii) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the Applicant and consistent with state and local laws regarding privacy and obligations of confidentiality.

The confidentiality procedures of the Applicant must be in writing and must be maintained in accordance with this section.

J. RFP TERMS AND CONDITIONS

This RFQ is issued subject to the following terms and conditions:

1. This RFP is a request for the submission of qualifications, but is not itself an offer and shall under no circumstances be construed as an offer.

2. IHCDA expressly reserves the right to modify or withdraw this request at any time, whether before or after any qualifications have been submitted or received.

3. IHCDA reserves the right to reject and not consider any or all respondents that do not meet the requirements of this RFP, including but not limited to: incomplete qualifications and/or qualifications offering alternate or non-requested services.

4. IHCDA reserves the right to reject any or all companies, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed to be in its best interest.

5. In the event the party selected does not enter into the required agreement to carry out the purposes described in this request, IHCDA may, in addition to any other rights or remedies available at law or in equity, commence negotiations with another person or entity.

6. In no event shall any obligations of any kind be enforceable against IHCDA unless and until a written agreement is entered into.

7. The Applicant agrees to bear all costs and expenses of its response and there shall be no reimbursement for any costs and expenses relating to the preparation of responses of qualifications submitted hereunder or for any costs or expenses incurred during negotiations.

8. By submitting a response to this request, the Applicant waives all rights to protest or seek any remedies whatsoever regarding any aspect of this request, the selection of another respondent or respondents with whom to negotiate, the rejection of any or all offers to negotiate, or a decision to terminate negotiations.

9. IHCDA reserves the right not to award a contract pursuant to the RFP.

10. All items become the property of IHCDA upon submission and will not be returned to the Applicant.

11. IHCDA reserves the right to split the award between multiple applicants and make the award on a category by category basis and/or remove categories from the award.

12. The Applicant certifies that neither it nor its principals, contractors, or agents are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from utilizing federal funds by any federal or state department or agency.

13. By submitting a response to this RFP, respondent acknowledges the acceptance of IHCDA's Award Agreement Boilerplate and the understanding that such Boilerplate is non-negotiable.

14. An award of ESG funding is also contingent upon IHCDA receiving an allocation of funding from HUD.

K. SUBMITTING THE APPLICATION

Completed ESG applications must be received electronically via the Electronic Application only by IHCDA no later than July 26, 2024, at 5 PM Eastern Time. Applications received after this date and time will not be considered or accepted. Faxed, emailed or mailed applications will *not* be considered or accepted.

	Supporting Documentation Checklist: (The following items should be attached to your electronically submitted application)
	Letter of 501(c)3 non-profit determination. (new applicants only)
	Articles of Incorporation (new applicants only)
	Letter of match commitment for total amount requested for ESG across all program types.
	General Liability Insurance documentation (Summary page showing coverage is all that is needed)
	Fidelity Bond Insurance documentation (should be equal to ½ of the total annual funding provided by the state and should cover all employees/board members handling funds)
	SAMS printout of eligibility verification page (See Threshold questions #2)
	Proof of Auto Coverage (if using ESG funds for Transportation)

Applicant must retain a copy of these application policies. If the Applicant receives funding pursuant to this RFP, it will be bound by the requirements contained herein.

Email communityservices@ihcda.in.gov with questions.

ESG Method of Distribution Summary

Please see the ESG Written Standards for providing ESG assistance.

AP-30 and AP-90 of the Annual Action Plan outline the MOD as follows:

IHCDA plans to allocate funding to approximately up to 15 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. . The reviewer will complete a built in scoring tool in the application, 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 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.

Performance Standards:

The performance standards were developed in collaboration 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 subrecipients 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.

Emergency Solutions Grant (ESG)
Reference 24 CFR 91.320(k)(3)

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

Written Standards for Provision of ESG Assistance

This section includes written standards for providing the proposed assistance and describes the requirements for subrecipients to establish and implement written standards.

1) Describe the standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.

ESG subrecipients serving households experiencing literal homelessness as defined under paragraph (1) of the "homeless" definition in 24 CFR § Part 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless "definition are encouraged to utilize the Arizona Matrix Tool that is embedded in HMIS as well as completion of a Housing Plan to provide a guide for case management and evaluation of a person or family's needs.

2) Describe the policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

ESG subrecipients are expected to create MOU's with all shelter providers, housing agencies, community action agencies, township trustees, mental health centers, health clinics and homeless service providers in their proposed service area. Once available in their area, each ESG subrecipient will be required to partner with the Coordinated Access point by providing immediate housing to those persons who are unsheltered, if space is available. Additionally, as part of the proposal process, subrecipients are required to develop a program design that is inclusive not only of other targeted homeless services, but also of other mainstream resources such as public housing programs, programs receiving project-based or tenant-based Section 8, Supportive Housing for persons with disabilities (Section 811), HOME Investment Partnerships Program, Temporary Assistance for Needy Families (TANF), State Children's Health Insurance Program, Head Start, Mental Health and Substance Abuse Block Grants and services funded under the Workforce Investment Act. IHCDA encourages programs to be strategic and comprehensive in their program design by requiring applicants to include all available resources to the maximum extent practicable.

3) Describe the policies and procedures for determining and prioritizing which eligible families and individuals for homelessness prevention assistance and for rapid re-housing assistance.

Persons who are utilizing Rapid Rehousing Funds must meet the criteria under paragraph (1) of the "homeless" definition in 24 CFR § Part 576.2 or meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless "definition to be eligible to receive rapid re-housing assistance.

Those persons who will be utilizing homeless prevention funds must meet the criterion under the interim rule that clarifies the definition of ''at risk of homelessness'' under section 401(1) of the McKinney-Vento Act. The definition includes three categories under which an individual or family may qualify as ''at risk of homelessness.'' For an individual or family to qualify as ''at risk of homelessness'' under the first category of the definition, the individual or family must meet two threshold criteria and must exhibit one or more specified risk factors. The two threshold criteria, as provided in the statute, are:

1. The individual or family has income below 30 percent of median income for the geographic area; and (2) the individual or family has insufficient resources immediately available to attain housing stability. Under the interim rule, the first criterion refers specifically to annual income and to median family income for the area, as determined by HUD.

2. The second criterion is interpreted as, ''the individual or family does not have sufficient resources or support networks, e.g., family, friends, faith based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the homeless definition in 24 CFR § Part 576.2.

For homeless prevention, the risk categories to further ensure consistency of interpretation, the interim rule also clarifies several of the risk factors that pertain to the first category of individuals and families who qualify as ''at risk of homelessness.'' As provided under the statute, the pertinent risk factors are as follows:

1. Has moved frequently because of economic reasons;

2. Is living in the home of another because of economic hardship;

3. Has been notified that their right to occupy their current housing or living situation will be terminated;

4. Lives in a hotel or motel;

5. Lives in severely overcrowded housing;

6. Is exiting an institution; or

7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

4) Describe the standards for determining the share, if any, of rent and utilities costs that each program participant must pay, if any, while receiving homeless prevention or rapid re-housing assistance.

Participants who receive rental assistance through rapid rehousing or homeless prevention are expected to pay 30 percent of their income for rent and utilities if they have income. IHCDA provides an Excel based worksheet which automatically calculates the tenant rent and utility portion allowable when household income is entered. Subrecipients will be responsible for ensuring that assisted rental units meet reasonable rent standards, are at or below fair market rent and meet habitability standards before any rental payments are approved. The tenant's portion and ESG subsidy will be calculated based upon acceptance into the program and determination of need for rental assistance.

The tenant portion of rent is calculated on the basis of allowable household income. Tenant rents are paid directly to the landlord and are subject to the same timeliness requirements as the overall rent. Any late fees incurred while receiving ESG will be the responsibility of the tenant to pay.

5) Describe the standards for determining the duration of rental assistance and whether and how the amount of assistance will be adjusted over time.

Participants can receive up to 12 months of rental assistance per award year, and up to a maximum of 24 months of rental assistance in a three year period. The award term to subrecipients is 12-18 months. All funds associated with that award year must be expended upon completion of the award term. Program participants receiving rental assistance must pay 30 percent of their household income each month towards rent and utilities throughout the duration of their participation with ESG. Tenant payments will not be adjusted if income has increased. Payment of rental arrears consisting of a one-time payment for up to six months of rental arrears, including any late fees on those arrears is also an eligible expense. All persons assisted with program will qualify for up to 12 months of rental assistance and up to 18 months of services. Case managers will utilize the Arizona Self Sufficiency Matrix tool, which is built into the HMIS, to ensure participants receive the appropriate level of assistance. The Housing Plan is available for case managers to utilize for each household.

6) Describe the standards for determining the type, amount, and duration of housing stabilization or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive. Limits should include the maximum amount of assistance, maximum number of months the program participant is eligible to receive assistance; and the maximum number of times the program participants may apply for assistance.

Participants can receive up to 12 months of housing relocation and stabilization services during the award term. Participants cannot receive more than 24 months of these services within a three (3) year period. Housing relocation and stabilization services includes financial assistance activities such as moving costs, rental application fees, security deposits, last month's rent, utility deposits and utility payments; and services such as housing search and placement, housing stability case management, mediation, legal services and credit repair. No limit will be placed on the amount or type of services provided per participant as subrecipients are encouraged to spend the funds as needed by the tenant through active engagement with the participant. The amount and type of services will be determined largely at the time of intake when the housing case manager completes a housing assessment on the participant. The assessment consists primarily of using the Arizona Self-Sufficiency Matrix tool, which uses a vulnerability index to determine the most urgent needs as it relates to housing. This tool is also built into the HMIS. Participants can be assisted with housing stability case management for up to 30 days during the period the program participant is seeking permanent housing and cannot exceed 18 months total during the period the program participant is living in permanent housing.

Training through ESG program Analyst and other formats provided by the CoC Board (CoC Development Day) have been provided to ESG subrecipients and other McKinney Vento funded programs. These trainings have covered areas such as: housing first best practices, motivational interviewing, rule reductions, how to assist in employment, mainstream resources, bed bug prevention, fair housing, best practices for ESG RRH and case management best practice.

Subrecipients will be expected to attend ESG Rapid Rehousing training offered during the grant cycle and participate in peer learning opportunities/trainings offered during the year.

1. 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 first 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.

2. 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 verified by an independent person or committee as appropriate, which could include members of the CoC Board. The 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.

3. 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 - consults with the Indiana Balance of State Continuum of Care Board, which is also administered by IHCDA. The CoC Board must have at least one member who is or has been formerly homeless. Currently, the CoC board has two members who meet this criterion and serve as members of critical committees, including the Resource & Funding Committee. This 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. For 2018-19 applications, 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.

4. 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 Annual Progress Reports and~~ 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.

To: IHCDA Partners **Notice: PN-24-14**
From: IHCDA Community Services Team
Date: May 20, 2024
Re: Request for Applications for Housing Opportunities for Persons with HIV/AIDS (HOPWA) FY 2024 Funding

REQUEST FOR APPLICATIONS

The Indiana Housing and Community Development Authority ("IHCDA") released a Request for Applications (RFA) for the 2024 administration of the Housing Opportunities for Persons with HIV/AIDs (HOPWA) program. IHCDA annually receives HOPWA Funding from the U.S. Department of Housing and Urban Development. The purpose of the HOPWA Program is to ensure that affordable housing options and services are available to low-income persons with HIV/AIDS and their families and to assist such persons in achieving and maintaining housing stability.

The HOPWA FY 2024 Request for Applications (RFA) can be accessed on IHCDA's HOPWA webpage: IHCDA: Housing Opportunities for Persons with AIDS (HOPWA). To respond to the RFA, please click **HERE**.

We will be having a webinar about the HOPWA FY 2024 RFA on Tuesday June 4, 11am – 12:30pm EST. To register, please click HERE.

Proposals must be submitted electronically via the Electronic Application form only, and received by IHCDA no later than June 24, 2024, at 5:00 PM Eastern Time.

Applications received after this date and time will not be considered or accepted. Faxed, emailed, or mailed applications will not be considered or accepted.

For questions, please contact:

Niloofar Asgari
Community Services Grants Analyst
nasgari@ihcda.in.gov

ihcda

Indiana Housing & Community Development Authority

REQUEST FOR APPLICATIONS

for

Housing Opportunities for People with HIV/AIDS (HOPWA)

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204
http://www.in.gov/ihcda/

317-232-7777

ISSUE DATE: May 20, 2024
RESPONSE DEADLINE: June 24, 2024, 5:00 PM EST

PART 1 SCOPE OF THIS REQUEST FOR APPLICATIONS

1. PURPOSE OF THIS REQUEST FOR APPLICATIONS (“RFA”)

The Indiana Housing and Community Development Authority (referred to as “IHCDA” or “Grantee” throughout this document) seeks to contract with community-based 501(c)(3) nonprofit organizations (referred to as “Project Sponsors” or “Respondents”) to directly administer housing assistance and supportive services under the Housing Opportunities for Persons with HIV/AIDs (HOPWA) program.

2. ABOUT THE INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

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

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

OVERVIEW (for more information visit http://www.in.gov/ihcda/)
IHCDA was created in 1978 by the Indiana General Assembly and is a quasi-public financially self-sufficient statewide government agency. IHCDA's programs are successful in large part because of the growing network of partnerships IHCDA has established with local, state, and federal governments, for-profit businesses and not-for-profit organizations. For-profit partners include investment banks, mortgage lenders, commercial banks, corporate investment managers and syndicators, apartment developers, investors, homebuilders, and realtors. Not-for-profit partners include community development corporations, community action agencies, and not-for-profit developers.

3. ABOUT THE HOPWA PROGRAM & FUNDING SOURCE

The purpose of the HOPWA Program is to ensure that affordable housing options and services are available to low-income persons with HIV/AIDS and their families and to assist such persons in achieving and maintaining housing stability. It follows that access to stable and affordable housing would thereby decrease homelessness and improve access to and engagement in HIV/AIDS treatment and care. HOPWA has been administered across the U.S. since 1992.

IHCDA is the Indiana agency designated to receive the state’s funding for the Housing for Persons with HIV/AIDs Program (HOPWA), as administered by the U.S. Department of Housing and Urban Development (HUD). As a HOPWA Grantee, IHCDA’s goal is to fund Project Sponsors that can directly support those living with HIV and their loved ones, successfully ensure that Project Sponsors can consistently spend all HOPWA funding and maintain compliance with relevant federal regulations on spending and program operations and development.

As listed below, HOPWA funds may pay for the following activities, as detailed in 24 CFR 574:

Tenant Based Rental Assistance (TBRA)

HOPWA’s TBRA program offers ongoing, monthly rent and utility subsidies to HOPWA-eligible clients. Its purpose is to subsidize long-term, safe, and affordable occupancy for those who need longer-term assistance. TBRA is not linked to a specific unit – meaning, if a client moves out of one qualifying unit and into another, the TBRA they receive will continue to be administered.

Clients receiving assistance under HOPWA-TBRA must meet HOPWA-eligibility requirements and annually verify their income to continue receiving assistance. TBRA payments must meet both FMR and Rent Reasonableness as defined in 24 CFR 888.111, 24 CFR 888.113, and 24 CFR 574.320(a)(3).

To successfully administer, housing and service needs assessment should be offered.

Short Term Rent, Mortgage and Utilities (STRMU)

STRMU is a line of funding that provides mortgage, rent and utility assistance for up to 21 weeks in a 52-week period. This short-term funding helps provide a short-term stabilizing intervention for HOPWA-eligible homeowners and renters who are already housed. STRMU payments must meet both FMR and Rent Reasonableness as defined in 24 CFR 888.111, 24 CFR 888.113, and 24 CFR 574.320(a)(3).

To successfully administer, housing and service needs assessment should be offered.

Supportive Services

As outlined in 24 CFR 574.300(b)(7), this funding stream improves a client's access to care/services related to the following:

A. Health/Mental Health

B. Assessment

C. Drug and alcohol abuse treatment and counseling

D. Daycare

E. Personal assistance

F. Nutritional services

G. Intensive care when required

H. Assistance in accessing local, State, and Federal government benefits and services (i.e. Medicare/Medicaid, Social Security, etc.)

Permanent Housing Placement (PHP)

Project Sponsors may help clients establish a new residence where ongoing occupancy is expected to continue. Permanent Housing Placement may pay for the following: application fees, credit check expenses, first month's rent and security deposit (which may not exceed two months rent), and one-time utility connection fees and processing costs.

Housing Information Services

Project Sponsors may provide housing counseling/referral services and information materials that educate clients on housing resources and assist with locating, acquiring, financing, and maintaining housing. This may include a variety of supportive actions, like fair housing counseling or assisting clients with certain applications.

Facility Based Operations

Project Sponsors may spend money on housing that is connected with a specific facility or project. Project Sponsors may use funds to administer facility-based rental assistance, including master-leased units and project-based rental assistance – and cover operating costs for facilities - such as maintenance, security, operation, insurance, utilities, furnishings, equipment, supplies, and other incidental costs – so long as the expense is reasonable and necessary.

In cases where Contractors are needed to fix or maintain facility, Project Sponsors need to provide IHCDA documentation of the bid finding process, quotes received, and the decision that will be taken.

Administration

Typically, administration funds can be used to purchase office supplies and pay for rent/utilities of office space, and staff time spent creating reports, compiling claims, etc. Administration funding may not be used for costs directly associated with other eligible HOPWA activities (i.e. TBRA, STRMU, etc.).

In certain circumstances, HUD may approve use of administration funding for HOPWA-specific trainings. HOPWA Administrative funds can only be used on trainings if explicit approval has been granted from HUD.

4. REQUIRED SCOPE OF SERVICES

Project Sponsors who successfully obtain HOPWA FY 2024 funding should complete and maintain the following activities once the contract commences:

Program Management and Service Delivery:

A. Enter client-level data on HMIS, or in the case of clients who are survivors of domestic violence, DV ClientTrack.

B. Comply with annual FMR and rent reasonableness requirements, property inspection requirements, and lead-based paint requirements.

C. Execute Rental Assistance Payment Contracts (drafted by IHCDA) with the tenants and landlords and ensure HP Lease Addendum (drafted by IHCDA that contains HUD-prohibited lease provisions and VAWA language) is executed by the tenants and landlords.

D. Ensure the existence of and compliance with internal policies regarding the following:

   a. Confidentiality of client-level personal and health status information

   b. Preventing the duplication of benefits for clients

   c. HOPWA services are administered without discrimination against members of protected classes as defined by Federal and State law and any published HUD rules and notices – includes but is not limited to: Fair Housing Act, Violence Against Women Act and its subsequent updates or amendments, Equal Access to Housing Final Rule, etc.

d. Termination of assistance is only done as a last resort

Grants Administration:

A. Ensure successful grant utilization throughout the contracted term of your FY 2024 award.

1. Have consistent internet access with regular e-mail availability and use a financial software system for accounting purposes that functions and operates according to generally accepted accounting principles or has designated an entity that will maintain such an accounting system.

2. Track and maintain a spending plan for their FY 2024 funding that accounts for claim submission deadlines.

3. Ensure that claim submission deadlines are met in a timely manner, or that approval to submit claims has been obtained from a CS Staff Member.

4. Complete HOPWA Financial Management Training, which can be accessed through your HUD Exchange account: HUD Exchange Learn - HUD Exchange

B. Attend relevant webinars or in-person events hosted by IHCDA; such as the IHCDA Community Services Grants Team FY 2024 Kickoff Webinar, CS Team Quarterly Office Hours; and other IHCDA-hosted events that pertain to the HOPWA program.

C. Respond to award inquiries or documentation requests from IHCDA Community Services staff in a timely manner.

D. Complete a bi-annual Program Income Report due in December 31, 2024 and June 28, 2025.

E. Complete an annual CAPER (Consolidated Annual Performance and Evaluation Report) – which will be distributed sometime in the middle to end of your contract year.

5. RFA TIMELINE

May 20, 2024	RFA released to the general public.
June 24, 2024	RFA responses are due to IHCDA by 5:00 p.m. EST
June 26, 2024	Funding Decision will be sent by 5:00 p.m. EST
June 28, 2024	Contract details finalized
July 1, 2024	Contract start date

PART 2 RFA PROCESS

1. FUNDING ELIGIBILITY CRITERIA

The following list of requirements renders an agency eligible to apply for IHCDA's HOPWA funding:

A. A private nonprofit organization (defined as tax-exempt secular or religious organization described in section 501(c)(3) of the Internal Revenue Code).

B. An organization that does not have any unresolved findings from IHCDA or HUD.

C. An organization that has staff or Board members affiliated with the organization that have attended Regional Planning Council on the Homeless meetings in the 2023 calendar year.

D. An organization that has a Care Coordination designation from the Indiana State Department of Health.

E. An organization that will have a Certificate of Consistency with the State of Indiana Consolidation Plan for the areas that its program will cover.

F. An organization that has standards of financial accountability that conform to 2 CFR 200.302, Financial Management' and 2 CFR 200.303, 'Internal Controls,' which includes systems and software that allow for effective control over, and accountability for, all funds, property, and other assets.

If the applicant fails to demonstrate that each requirement listed above has been met, its proposal will not be reviewed.

2. EVALUATION CRITERIA OF RFA RESPONSE

Evaluation of all applications will be completed by IHCDA's Community Services Team based on the criteria listed below:

A. Capacity to meet request (dependent on amount IHCDA receives from HUD)

B. Meeting the requirements highlighted in Part 2, Section 1 titled "Funding Eligibility Criteria"

C. Spending progress in previous fiscal years

D. Service Provision according to the results of prior CAPER reports

E. Quality of Application submission as defined below:

1. All questions are completed as accurately as possible; none are left blank unless the question allows.

2. Essay responses provide a clear context

3. All required attachments and documentation (detailed in Section 2) are attached and sent to IHCDA Community Services

4. Proposed budget request is sent.

3. RESPONDENT PROPOSAL

Respondents must provide the following information to be deemed responsive to this RFA:

Submitted HOPWA FY 2024 Funding Application via Survey Monkey:

Respondent must complete their application through the SurveyMonkey platform. The link to the HOPWA FY 2024 Funding Application which can be found here: IHCDA: Housing Opportunities for Persons with AIDS (HOPWA).

Required Supplemental Attachments:

The following supporting documents must be provided in the application you submit via SurveyMonkey:

1. Proof of 501(c)(3) non-profit organization (defined as tax exempt secular or religious organization described in Section 501© of the Internal Revenue Code) status
2. Updated UEI Number from SAM.gov
3. Award letter or agreement showing that the agency is a care coordination site with IDOH (Indiana Department of Health)
4. Signed Certificate of Attendance at Regional Planning Council on Homelessness within the last 12 months. Link to IHCDA Form can be accessed here.
5. Financial management policies and procedures, including claims submission process.
6. Confidentiality policy and procedures
7. Updated Certificate of completion from HUD Exchange's HOPWA Financial Management Module: HUD Exchange Learn - HUD Exchange
8. List of agency's current Board of Directors: including names, affiliating organization(s), email address, and phone number.
9. Staffing/organization chart of HOPWA staff, including FTE employees
10. Current Policy by which HOPWA clients are selected and approved, without documentation for current HOPWA recipients.
11. Blank Housing Plan or Outline
12. Tracking Sheet of 75% served at or below 50% AMI
13. One MOU with a PSH in the area of each Region that your organization covers (if PSH is available in the area)
14. Grievance/dispute policy
15. Termination of HOPWA Assistance Policy

Completed RFA Application Workbook:

Respondents must submit a complete RFA Application Workbook, which includes data questions about their organization's service provision in previous years. The RFA Application Workbook also includes a tab for Respondents to provide a line-item budget of their request, which details the proposed plan to spend the requested funds. Submissions should come in Excel Workbook format.

The RFA Workbook, containing both the data questions and proposed budget template, is posted on IHCDA's HOPWA webpage. Submissions of the RFA Application Workbook must be sent via email to IHCDA Community Services: communityservices@ihcda.in.gov.

When submitting your FY 2024 budget request, please be mindful of the following percentage requirements:

1. ***TBRA + STRMU + Facility Operations:*** Minimum of 60% of Award
2. ***Housing Information Services + PHP:*** Maximum of 35% of Award
3. ***Supportive Services:*** Maximum of 35% of Award
4. ***Administration:*** Maximum of 7% of Award
5. ***Long Term Program Delivery + Short Term Program Delivery:*** Maximum of 3% of Award

If the amount granted to your organization differs from the proposed budget submitted, the amounts received will be adjusted to reflected the percentages listed above.

PART 3 RELEVANT LAWS & REGULATIONS

1. Appropriate Placement for Transgender Persons in Single-Sex Emergency Shelters and Other Facilities

On February 3, 2012, HUD published the *Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity* final rule (Equal Access Rule) (77 FR 20 5662). This final rule requires that HUD's housing programs be made available to individuals and families without regard to actual or perceived sexual orientation, gender identity, or marital status. The rule defines "gender identity" to mean "actual or perceived gender-related characteristics." 24 CFR 5.100; 77 FR at 5665. The final rule also prohibits owners and administrators of HUD-assisted or HUD-insured housing, approved lenders in an FHA mortgage insurance program, and any other recipients or subrecipients of HUD funds from inquiring about sexual orientation or gender identity to determine eligibility for HUD-assisted or HUD-insured housing. The rule does not, however, prohibit voluntary self-identification of sexual orientation or gender identity, and it provides a limited exception for inquiries about the sex of an individual to determine eligibility for temporary, emergency shelters with shared sleeping areas or bathrooms, or to determine the number of bedrooms to which a household may be entitled. 24 CFR 5.105(a)(2).

2. HUD Guidance for Single-Sex Emergency Shelters or Other Facilities that Receive HOPWA, TANF, or CoC Funds

<u>Assignments</u>

HUD assumes that a recipient or subrecipient ("provider") that makes decisions about eligibility for or placement into single-sex emergency shelters or other facilities will place a potential client (or current client seeking a new assignment) in a shelter or facility that corresponds to the gender with which the person identifies, taking health and safety concerns into consideration. A client's or potential client's own views with respect to personal health and safety should be given serious consideration in making the placement. For instance, if the potential client requests to be placed based on his or her sex assigned at birth, HUD assumes that the provider will place the individual in accordance with that request, consistent with health, safety, and privacy concerns. HUD assumes that a provider will not make an assignment or re-assignment based on complaints of another person when the sole stated basis of the complaint is a client or potential client's non-conformance with gender stereotypes.

<u>Appropriate and Inappropriate Inquiries Related to Sex</u>

For temporary, emergency shelters with shared sleeping areas or bathrooms, the Equal Access Rule permits shelter providers to ask potential clients and current clients seeking a new assignment their sex. Best practices suggest that where the provider is uncertain of the client's sex or gender identity, the provider simply informs the client or potential client that the agency provides shelter based on the gender with which the individual identifies. There generally is no legitimate reason in this context for the provider to request documentation of a person's sex in order to determine appropriate placement, nor should the provider have any basis to deny access to a single-sex emergency shelter or facility solely because the provider possesses identity documents indicating a sex different than the gender with which the client or potential client identifies. The provider may not ask questions or otherwise seek information or documentation concerning the person's anatomy or medical history. Nor may the provider consider the client or potential client ineligible for an emergency shelter or other facility because his or her appearance or behavior does not conform to gender stereotypes.

Privacy

If a client expresses safety or privacy concerns, or if the provider otherwise becomes aware of privacy or safety concerns, the provider must take reasonable steps to address those concerns. This may include, for example: responding to the requests of the client expressing concern through the addition of a privacy partition or curtain; provision to use a nearby private restroom or office; or a separate changing schedule. The provider must, at a minimum, permit any clients expressing concern to use bathrooms and dressing areas at a separate time from others in the facility. The provider should, to the extent feasible, work with the layout of the facility to provide for privacy in bathrooms and dressing areas. For example, toilet stalls should have doors and locks and there should be separate showers stalls to allow for privacy. The provider should ensure that its policies do not isolate or segregate clients based upon gender identity.

Example as it relates to Domestic Violence Providers

A recipient that operates a sex-segregated or sex-specific program should assign a beneficiary to the group or service which corresponds to the gender with which the beneficiary identifies, with the following considerations. In deciding how to house a victim, a recipient that provides sex-segregated housing may consider on a case-by-case basis whether a particular housing assignment would ensure the victim's health and safety. A victim's own views with respect to personal safety deserve serious consideration. The recipient should ensure that its services do not isolate or segregate victims based upon actual or perceived gender identity. A recipient may not make a determination about services for one beneficiary based on the complaints of another beneficiary when those complaints are based on gender identity.

PART 5 **RFA TERMS AND CONDITIONS**

This RFA is issued subject to the following terms and conditions:

A. This RFA is a request for the submission of qualifications but is not itself an offer and shall under no circumstances be construed as an offer.

B. IHCDA expressly reserves the right to modify or withdraw this request at any time, whether before or after any qualifications have been submitted or received.

C. IHCDA reserves the right to reject and not consider any or all respondents that do not meet the requirements of this RFA, including but not limited to: incomplete qualifications and/or qualifications offering alternate or non-requested services.

D. IHCDA reserves the right to reject any or all companies, to waive any informality in the RFA process, or to terminate the RFA process at any time, if deemed to be in its best interest.

E. In the event the party selected does not enter into the required agreement to carry out the purposes described in this request, IHCDA may, in addition to any other rights or remedies available at law or in equity, commence negotiations with another person or entity.

F. In no event shall any obligations of any kind be enforceable against IHCDA unless and until a written agreement is entered into.

G. The Applicant agrees to bear all costs and expenses of its response and there shall be no reimbursement for any costs and expenses relating to the preparation of responses of qualifications submitted hereunder or for any costs or expenses incurred during negotiations.

H. By submitting a response to this request, the Applicant waives all rights to protest or seek any remedies whatsoever regarding any aspect of this request, the selection of another respondent or respondents with whom to negotiate, the rejection of any or all offers to negotiate, or a decision to terminate negotiations.

I. IHCDA reserves the right not to award a contract pursuant to the RFA.

J. All items become the property of IHCDA upon submission and will not be returned to the Applicant.

K. IHCDA reserves the right to split the award between multiple applicants and make the award on a category-by-category basis and/or remove categories from the award.

L. The Applicant certifies that neither it nor its principals, contractors, or agents are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from utilizing federal funds by any federal or state department or agency.

M. By submitting a response to this RFA, respondent acknowledges the acceptance of IHCDA's Award Agreement Boilerplate and the understanding that such Boilerplate is non-negotiable.

PART 6 FORMAT FOR SUBMISSION, MAILING INSTRUCTIONS, AND DUE DATE

Respondents will submit their RFA Application via SurveyMonkey and their RFA Workbook via email to communityservices@ihcda.in.gov.

Applications exclusively received via email, fax, and mail will NOT be accepted or reviewed. Additionally, applications received after the deadline written below will NOT be accepted unless previous approval has been granted. If approval for an extension is needed, please contact communityservices@ihcda.in.gov.

The deadline for submission is June 24, 2024 at 5:00 PM EST.

Applications that do not contain all the required forms/documents as listed in this RFA may be determined ineligible for further consideration.

HOPWA Method of Distribution

Please see attached for the HOPWA RFQ Instructions.

AP-30 of the Annual Action Plan outlines the MOD as follows:

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 or have a relationship with a current Indiana Department of State 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 or have a relationship with a 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.

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.

PUBLIC HEARING PRESENTATIONS

State of Indiana

2024 Action Plan Public Hearing #1

FEBRUARY 20, 2024

PRESENTED BY

Christmas Hudgens, *OCRA*
Stephen Enz, *IHCDA*
Kristin Garvey, *IHCDA*
Heidi Aggeler and Vanessa Bramante, *Root Policy Research*

Agenda

- Introductions
- 2024 Action Plan Hearing
- Fair Housing Plan
- Public comments and input

Introductions

How to reach the presenters:

- Christmas Hudgens, CHudgens@ocra.IN.gov. Contact Christmas about CDBG.
- Stephen Enz, IHCDA, SEnz@ihcda.IN.gov. Contact Stephen about HOME and HTF.
- Kristin Garvey, KriGarvey@ihcda.IN.gov. Contact Kristin about ESG and HOPWA.
- Root Policy Research, vanessa@rootpolicy.com (970) 880-1415. Contact Vanessa with public comments.

Introductions

To ensure that everyone in attendance has a chance to voice their opinion, thoughts, and comments:

- We will call on all attendees to see if they have any comments after the presentation.
- Please feel free to jump in at anytime—we may speak over one another, when that happens, we'll help facilitate.
- If you have very detailed comments about programs, or more to say, please contact one of us. This will give everyone an equal chance to voice their comments.

2024 Action Plan Public Hearing

2024 Action Plan to be submitted May 15* pertains to specific HUD funding programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant Program (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Housing Trust Fund (HTF)

*Submittal may be delayed by federal budget processes.

Funds Covered

What is the State expected to receive from HUD in 2024?

**Based on 2023 allocations. 2023 allocations dropped by $7 million from 2022

CDBG	$30,789,752
HOME	$16,429,054
ESG	$3,967,121
HOPWA	$2,160,235
Nat'l Housing Trust Fund	$5,391,554
Total	$58,737,716

Consolidated Plan - Five Year Goals

Guide annual allocations in program years 2020-2024

- **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.

How to Participate in the Survey

- Take the survey at: https://surveymonkey.com/r/IndianaResidentHousingSurvey2024
- The survey will remain open until February 29, 2024

What we are Hearing

- Residents have had to move when they did not want to because housing costs became unaffordable;
- There is a need for rental assistance to prevent evictions;
- Utility and property tax assistance would improve housing security;
- Vouchers don’t cover market rent and expire before renters find a unit;
- Survivors of domestic violence are often denied financial assistance, services, and/or admission to affordable housing; and
- High-paying job opportunities are limited in many areas of the state.

How to Access the Draft Plan

- Public comment period begins April 1 and continues through April 30, 2024
- Access the draft Plan starting April 1 online at

  https://www.in.gov/ocra/cdbg/consolidated-and-action-plans/
  https://www.in.gov/ihcda/newsroom/action-plans/
- You can also email vanessa@rootpolicy.com to request a copy.

How to Comment on the Plan

- Attend the next Public Hearing on April 15:

  Email vanessa@rootpolicy.com for the Zoom link
  In person at Indiana Government Center South (IGCS)
  302 W Washington St, Indianapolis, IN 46204, Conference Room D

- Through April 30 you may send email to:
  SEnz@ihcda.IN.gov or CHudgens@ocra.IN.gov or vanessa@rootpolicy.com

- Send a letter to:

  Indiana Office of Community and Rural Affairs
  One North Capitol Avenue, Suite 600
  Indianapolis, IN 46204-22288

  Attn: 2024 Action Plan Comments

2024 Fair Housing Information Session

2023 Fair Housing Proposed Rule

- Analysis of Impediments to Fair Housing Choice (AI) was last updated in 2016
- An updated process is presented in a proposed rule released by HUD in January 2023
  - 60-day comment period on the proposed rule
- That proposed rule has not been finalized
- The state will update the 2016 Plan for submission with the 2024 Action Plan

Components of the Fair Housing Plan

- Demographics, Segregation and Integration
- Access to Community Assets
- Access to Affordable Housing Opportunities
- State Policies and Practices Impacting Fair Housing
- Fair Housing Issues, Goals, and Action Plan to address Impediments

What we are Hearing

- Multi-marginalized groups (e.g., disability + LGBTQ) face significant fair housing barriers;
- There is a need to increase awareness of fair housing laws among landlords and tenants;
- Source of income protection is needed for voucher users;
- Bad credit, low incomes, and pets are top reasons for being denied housing to rent;
- Racial steering and other discriminatory real estate practices are prominent in the for-sale housing market;
- Accessing public transit easily and safely is a challenge and there is a need for more frequent public transportation options; and
- Healthy food is a challenge in some areas.
- Residents are satisfied with the resources schools have for basic school instruction.

How to Participate in the Survey

- Take the survey at: https://surveymonkey.com/r/IndianaResidentHousingSurvey2024
- The survey will remain open until February 29, 2024

Your Input

- What do you hope the plan will address?
- In your area of the state, what are the top housing and community development needs?
- Which residents face the greatest barriers to housing choice? What causes those barriers?
- Do you have questions about how to get involved, access the plan, or comment?

Contact Info

Christmas Hudgens, OCRA

CHudgens@ocra.IN.gov

Contact Christmas about CDBG

Stephen Enz, IHCDA

SEnz@ihcda.IN.gov

Contact Stephen about HOME and HTF

Kristin Garvey

KriGarvey@ihcda.IN.gov

Contact Kristin about ESG and HOPWA

Heidi Aggeler and Vanessa Bramante, Root Policy Research

vanessa@rootpolicy.com

(970) 880-1415

PUBLIC COMMENTS

MEMORANDUM: 2024 Action Plan Public Hearing Comments

Re: 2024 Action Plan Public Hearing Comments

Date: February 20, 2024

This memorandum provides the comments received during the first public hearing for the 2024 Action Plan. Both residents and stakeholders attended the public hearing—stakeholders represented a range of expertise including housing, community development, and economic development. Comments are summarized below.

- We hear a lot from residents that there have been sharp increases in rent, especially where rents are already high which has forced many households to give up basic need items such as food and medicine. To make ends meet, they've been forced to look for something else but they're finding that there are very few choices/options in their communities and have to make do with small and substandard units. Information is coming from verbal conversations as well as annual member/policy surveys. We get a mix of feedback because we are one of the top search results for housing resources.
- Rising rents have forced families to move further from work and/or their social contacts – there are too few housing options available.
- State/cities need to find a way to help residents climb the housing ladder and move from crisis/housing instability to short- and long-term housing stability with opportunities for homeownership. We need to find ways to ensure that people can stay in homeownership (e.g., owner-occupied rehabilitation programs so residents can age in place).
- Need to find innovative ways to development new housing units/acquire units that are accessible and affordable to specific populations.
- Greatest needs are low income and working families, especially families with young children and Black/Brown residents, seniors, families with members who have disabilities, etc.
- See similar needs in urban, suburban, and rural communities alike – there aren't much different other than the demographic/socioeconomic composition of these areas.
- Changes in the severity of needs plus our population is aging rapidly and those needs are becoming more prominent. Rents are increasing and seniors don't have

the incomes to keep up with rising rents/housing costs/ability to keep up with housing repairs.

- Would like to see the state and local governments provide more opportunities for residents to share their stories to inform government processes/how they can get more involved. For example, how can we represent a broad range of interests and share genuine/direct feedback? Would be great to put together an accurate representation of broad feedback we receive.

EQUITY PLAN.
Executive Summary

The Department of Housing and Urban Development (HUD) uses programmatic and enforcement tools to promote fair housing choice and eliminate racial and ethnic segregation, housing barriers unique to protected classes, and discriminatory housing practices. States, counties, and cities that receive federal funding and or participate in HUD's housing and community develop programs are partners in affirmatively furthering fair housing (AFFH).

HUD defines the AFFH obligation as requiring its partners to: 1) conduct an analysis to identify impediments to far housing choice; 2) take action to overcome the effects of any impediments identified; and 3) maintain records reflecting the analysis and actions taken.[1] According to HUD, actions should entail:

- Mitigating housing discrimination,
- Promoting fair housing choice,
- Providing opportunities for inclusive patterns of housing occupancy regardless of protected class status,
- Promoting housing that is structurally accessible to and usable by disabled persons, and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act (FHA).

This document—the State of Indiana's 2024 Equity Plan—serves as the analysis to identify impediments to fair housing choice in the state. It also contains recommended action items the state will take to address barriers. Those activities will be carried out by the Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA)—the state agencies that administer HUD block grant funds for the State of Indiana.

Methodology

The Equity Plan used a combination of analysis of demographic and housing data collected through the American Community Survey (ACS); primary data collection from a stakeholder and resident survey and focus groups; and academic research to develop primary findings.

[1] https://www.hud.gov/sites/documents/FHPG.PDF.

Fair housing challenges are often difficult to determine through regulatory reviews or complaint filings alone. As such, engagement with stakeholders serving vulnerable populations and hearing from residents with lived experience is key to fully understand the barriers faced in housing choice and access to economic opportunity. Focus groups and surveys were utilized to capture information on the lived experience of Indiana residents in finding and affording housing.

Geographic coverage. This Equity Plan focuses on the state's "non-entitlement" areas, which are eligible to receive HUD block grant funding from OCRA and IHCDA. "Entitlement" communities receive funding directly.

There are two entitlement counties in the State of Indiana: Hamilton and Lake County. In addition to the two entitlement counties, Indiana has 24 entitlement cities that receive their own HUD block grants.[2]

- **Entitlement communities** are eligible to receive annual federal grants directly. For entitlement eligibility, HUD requires grantees be a principal city of a Metropolitan Statistical Area (MSA), metro city with a population of at least 50,000 people, and or an "urban county" with a population of at least 200,000 people (excluding entitled cities' populations).[3]

- **Non-entitlement communities** are jurisdictions with populations less than 50,000 people (excluding designated principal cities of MSAs and urban counties). Non-entitlement communities are eligible to receive federal funding from the state through the Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA).[4]

Geographic distinctions are important because fair housing challenges (and solutions to those challenges) often vary by geographic typology. For example, urban areas have more racial and ethnic diversity, and, as such, fair housing challenges are often race- or ethnicity-related; these areas are also more likely to be segregated, often because of the discriminatory policies that were in place as they developed. Conversely, fair housing challenges in rural areas are more likely to be related to disability and accessibility because rural areas have higher proportions of seniors, who are more likely to live with disabilities. Rural areas also have low-density built environments, which can make access to

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[2] Entitlement cities include: Anderson, Bloomington, Columbus, East Chicago, Elkhart, Evansville, Fort Wayne, Gary, Goshen, Greenwood, Hammond, Indianapolis, Jeffersonville, Kokomo, Lafayette, La Porte, Michigan City, Mishawaka, Muncie, New Albany, South Bend, Terre Haute, and West Lafayette. Entitlement counties include Hamilton County and Lake County.

[3] https://www.hudexchange.info/programs/cdbg-entitlement/cdbg-entitlement-program-eligibility-requirements/.

[4] https://www.hudexchange.info/programs/cdbg-state/state-cdbg-program-eligibility-requirements/.

community assets (e.g., transportation and non-vehicular travel, quality schools, employment) challenging.

Primary Findings

Demographic Trends

- Population growth is slowing, and the state is aging. Over the last three years, the state's population has increased by only 48,400 people for an overall percentage increase of less than 1%. The state's growing senior population and shrinking population of core working age adults has significant implications for economic growth. The state will increasingly be dependent on importing labor from other states to fill jobs and may struggle to meet the needs of aging seniors who require health care and supportive services and rely on low wage labor.

- 14% of the total population has a disability and the vast majority of residents with disabilities live below the poverty line ($30,000 for a family of four). According to stakeholders, for people with disabilities the challenge is not only "can I find a place to rent" but also "can I stay in that place with my disability?" Lack of public transportation options also creates significant barriers to finding housing: by the time they get to see potential rental units, they have already been filled.
- Of all races and ethnicities, Black or African American residents are more likely to be in living poverty, with more than a quarter below the poverty line.
- Educational attainment is a significant influence on poverty, with poverty rates dropping as education increases. Indiana residents with less than a high school degree are nearly 6x more likely to be living in poverty than those with a Bachelor's degree and higher. High school graduation also effectively reduces the likelihood of living in poverty.
- Segregation is moderate for most racial and ethnic groups in entitlement and non-entitlement areas. The exception Black or African American residents, who live in highly segregated conditions.

Access to Economic Opportunity

- 31% of schools in non-entitlement communities have more than 20% inexperienced[5] teachers on staff—two times the national average for low poverty schools. Elementary schools in non-entitlement school corporations have the highest rates of chronic absenteeism with 41 schools reporting more 30% or more of students chronically absent, the threshold for being considered "severe" chronic absenteeism.
- The state's school choice program expansion, which covers some costs of tuition for private school education for families with up to $220,000 in income, has decreased the

[5] Inexperienced teachers are defined as having less than one year teaching experience or having received emergency certification.

number of Black and Hispanic/Latino applicants and resulted in a "crowding out" of lower income students in private schools. Location of housing, access to transportation (school corporations are not required to provide transportation), desired school space availability and parent resources are important determinants of whether parents participate in the school choice system. Rural communities are much more constrained in their portfolio of private school choice options.

- In 2020, Indiana had 110,400 disconnected youth[6], or 13% of the population for this age group, ranking 31st in the nation. The disconnected youth rate in rural Indiana is significantly higher than national average. The estimated cost of not altering the trajectory of a 21 year old disconnected youth is nearly $1 million per individual over a lifetime. This loss lost tax revenue, as well as additional public costs from health expenses, potential crime or incarceration, and social services.
- A recent study from Indiana involving 1,529 schools, 1,565 school counselors and 874,156 students showed that lower counselor to student ratios reduces chronic absenteeism and increases SAT scores.[7] Indiana's counselor to student ratio is 624:1 in 2021-2022 compared to 475:1 in 2020-2021 (the recommended ratio is 250:1). Indiana ranks 38th in the nation for the number of physicians per 100,000 people with Switzerland, Ohio and Crawford Counties having only 1 physician for the entire county.
- In rural Indiana, 72% of families do not have access to licensed childcare providers and 57% of Hispanic/Latino families cannot find licensed childcare. Studies have shown that inadequate access to childcare constrains local economic activity. It is estimated that parent absenteeism and productivity reductions due to childcare breakdowns cost U.S. businesses more than $3 billion annually. Based on this study, one could infer that such costs in Indiana are around $15 million annually.
- Indiana continues to be the nation's top manufacturing state, with 20% of the labor market share. However, the state has experienced a loss of well-paying manufacturing jobs and is transitioning to lower paying service jobs across most rural counties. According to a recent report by the Brookings Institute, nearly 50% of Indiana's overall labor market is at risk of automation.[8]

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[6] Also called "opportunity youth", these are 16- to 24-year-olds who are neither enrolled in school nor in the labor force

[7] Parzych, Jennifer L. Ph.D., Peg Donohue, Ph.D., Amy Gaesser, Ph.D., Ming Ming Chiu, Ph.D. "Measuring the Impact of School Counselor Ratios on Student Outcomes". American School Counselor Association. February 1, 2019. https://www.schoolcounselor.org/getmedia/5157ef82-d2e8-4b4d-8659-a957f14b7875/Ratios-Student-Outcomes-Research-Report.pdf

[8] Dmitrovich, Nick. "Automation Approaches". Building Indiana. October 14, 2019. https://buildingindiana.com/automation-approaches/

Disproportionate Housing Needs

- Nearly half of the state's units were built before lead was banned for residential use and 81% of units were built before accessibility requirements were established for multifamily housing.

- The availability of rentals in the state is not meeting the affordability needs of extremely low income renters: statewide, Indiana has a rental mismatch gap for renters with incomes below 30% AMI of approximately 125,000 rental units. Rental assistance programs and deeply subsidized rental units (with supportive services) are likely needed to support housing stability and prevent homelessness for these households.

- Black or African American households are significantly more likely to experience cost burden and experience homelessness than other racial and ethnic groups.

  Black households had the lowest ownership rate of racial and ethnic groups at only 38% in 2021, compared to 70% for all households in the state. Black households were also the only racial or ethnic group to have experienced a decline in homeownership over the last decade. Low ownership rates are also prominent for single mothers (52%) and nonfamily households (54%).

- Nearly half of non-entitlement counties have home improvement denial rates between 30% and 56%. In rural areas with high proportions of aging homes in need of repair, home appraisal values requisite to loan approval could be a significant barrier to accessing home improvement financing, exacerbating poor condition housing and disinvestment in these communities.

Fair Housing Environment

- According to an analysis of HUD fair housing complaint data completed by the Fair Housing Center of Central Indiana, there were a total of 3,913 fair housing complaints filed by Indiana residents between 2000 and 2018. Of these complaints, 34% alleged racial discrimination followed by disability (33%) and sex and gender (11%). Rural counties comprised 25% of total complaints filed during this time, most of which alleged discrimination based on race or disability.

- Discrimination against families often comes in the form of overly restrictive and inconsistent occupancy policies, as evidenced by recent fair housing legal cases alleging discrimination on the basis of familial status. "Multiple marginalization" in housing is faced by residents who have intersectional protected classes such as race/ethnicity and LGBTQ status and disability status.

- Fair lending cases and unlawful banking practices disproportionately impact Black or African American residents majority-Black neighborhoods, particularly neighborhoods and communities in Marion County.

- Hate crimes in the state are largely motivated by racial and ethnic biases which disproportionately impact Black and African American residents. According to data provided by Indiana State Police, racially motivated hate crimes comprised 68% of total bias crimes in 2022. Persons with mental disabilities are at increased risk of hate crimes: 67% of crimes motivated by disability biases were against individuals with a mental disability.

- The state's bias crime law does not explicitly delineate gender and gender identity as protected classes from hate and bias crimes. Though bias crimes are not directly related to housing, not extending legal statutes to vulnerable populations signals to housing providers, lawmakers, and the general public that LGBTQ residents (and other groups) do not need more robust legal protections from discrimination.

Primary Fair Housing Barriers

Identifying fair housing issues, barriers, and the factors that contribute and perpetuate such barriers is one of the most important elements of the Equity Plan. According to HUD, impediments (or barriers) to fair housing are:

- Any actions, omissions, or decisions taken because of race, color religion, sex (including sexual orientation and gender identity), disability, familial status, or national origin that restrict housing choices or the availability of housing choices; or
- Any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, sex (including sexual orientation and gender identity), disability, familial status, or national origin.

Based on the research that formed this Equity Plan, the primary fair housing barriers—and recommendations for addressing the challenges to housing choice and economic opportunity resulting from those barriers—include the following.

Fair housing issue: Homeownership rates are severely low (and declining) among Black or African American households. Black or African American households had the lowest homeownership rate of all racial and ethnic groups in Indiana at only 38% in 2021. And ownership rates are declining: over the last decade, rates of homeownership for Black households have declined by four percentage points while rates for other racial and ethnic groups have moderately increased.

Low homeownership rates are related to differences in income and family wealth, a shortage of affordably-priced for sale homes, gaps between appraisals and home contract values, mortgage loan credit denials, and historical discrimination. These factors work together to create high barriers to homeownership. As homeownership is the main driver of community investment and development, reduced access to ownership has a profound implication for quality schools and neighborhood resources.

Strategies and recommendations. Strategies and recommendations to reduce homeownership barriers and expand access to homeownership for Black and African American households in the state could include:

- The Home Boost Minority Down Payment Assistance Program, created by the Indianapolis Federal Home Loan Bank, was launched in 2023 to provide $15,000 in down payment assistance to first-time homebuyers who identify as a minority group with incomes at or below 120% Area Median Income (AMI). The program was launched in September 2023 with a total of $2.5 million—however, program funds were gone by mid-October, which indicates considerable demand. Indiana should explore a state-funded, similar program with greater levels of assistance, modeled after the Home Boost program and other successful programs including the foundation funded Dearfield for Black Wealth (https://www.dearfieldfund.com/) and Evanston's Restorative Housing Program (https://www.cityofevanston.org/government/city-council/reparations) .

- Fund free or low cost homeownership counseling and other opportunities to increase financial literacy. Topics should cover homeownership readiness, homebuying process, loan applications, interest computations, loan terms and conditions, and other topics related to homeownership education.
- Conduct intentional and targeted outreach activities to increase awareness and applications among under represented homebuyers for IHCDA's First Place and Next Home programs where homeownership gaps are large and in non-White majority neighborhoods.

Fair housing issue: Housing choice for individuals with a disability is restricted by the lack of accessible housing (relative to incomes) in the state, especially in non-entitlement areas, where multifamily housing built with accessibility features is lacking. With lower incomes and employment rates, individuals with a disability are very vulnerable to housing instability and homelessness. This is exacerbated by the lack of accessible homes, especially in non-entitlement areas, where multifamily new construction subject to Fair Housing Act accessibility features is lacking.

Fair housing issue: Residents with disabilities have very high poverty rates and low labor participation rates. According to 5-year ACS data, almost three in four persons with a disability were not in the workforce in 2021. Median incomes for persons with a disability in the state are dramatically low at only $25,000 per year, with the vast majority of Indiana's residents with disabilities living below the federal poverty line.

Strategies and recommendations. Increasing housing options for residents with a disability will require a stronger commitment to expanding the supply of accessible housing units and increasing funding for accessibility improvements and modifications—as well as investing in opportunities to build economic opportunity.

- Work with groups like the Governor's Council for People with Disabilities to enhance opportunities in rural areas for employment such as technical assistance to coach rural business owners and organizations on more inclusive hiring practices to promote increased employment rates.
- Explore incentive programs similar to HB 1559 (2023) which would have reduced employment and other economic barriers for residents with disabilities by incentivizing employers to hire workers with a disability through tax credits.
- Fund new construction of accessible and deeply affordable rental and homeownership housing (e.g., land trusts, acquisition).
- Incentivize small landlords to rent to people with disabilities through a program that provides funding for accessibility improvements and first and last month's rent. Creating a pilot program, potentially with HUD block grants, would be an effective way to test the concept and raise seed money (through foundations, financial institutions) to expand the program if successful.
- Proving consistent block grant funding for housing accessibility improvements in both homeownership and rental housing.
- Pilot search features where landlords provide people with disabilities floorplans of their apartments so they know if they can be easily adapted. Online search engines work much better for people with disabilities (a stellar model is here: https://housing.sfgov.org/)

Fair housing issue: Domestic violence survivors face considerable barriers to housing choice associated with incomes inadequate to support families, lack of affordable child care, and perpetrators' violations of lease terms. Housing providers' lack of knowledge of VAWA contributes to limited housing options for domestic violence survivors and housing discrimination.

Strategies and recommendations.

- Prioritize increasing affordable rental and transitional housing development for families fleeing domestic violence through pilot programs.
- Invest in education and outreach programs to inform housing providers, including assisted housing providers, about their obligations under VAWA, and how to strategically support families fleeing violence.
- Explore implementation of programs from peer states, including:
    - Illinois has mobilized federal VAWA grants to expand provider and resource capacity to better reach and serve survivors of domestic violence. Grant

funds allowed the state to hire additional case managers to increase access to medical and case management care, as well as program managers and providers—activities that are not allowed with CDBG. Increased capacity has allowed the state to connect more individuals to stable housing, SNAP benefits, and mental health care.

- Ohio uses funding to support advocates and community organizations who assist domestic violence survivors in the criminal courts. With grants from the state, advocates provide confidential services and assist survivors in navigating the criminal justice system; creating safety plans; connecting to community resources; and assisting with other issues such as housing, visitation/custody, and financial matters.

  Ohio also supports survivors and households through transitional housing programs which provide safe housing and supportive services to help individuals work towards stability. Housing programs are designed with an adequate housing timeframe and services that are trauma-informed and client-focused to provide residents the ability to work through their trauma while rebuilding their lives.

Fair housing issue: Indiana's school choice system does not provide equitable access to all students and has diverted resources to privately school suburban non-Hispanic, White students. Public schools play an important part in closing the gap between wealthy and poor students on academic outcomes typically defined by standardized tests, which helps reduce income inequality.[9] Additionally, well-resourced and highly performing neighborhood schools are integral to community development and can provide a catalyst for improved neighborhood environments.[10]

Indiana's attempts to broaden school choice have resulted in inequities in access through diverting public funding into subsidies for private school educations of suburban, non-Hispanic White students.

Strategies and recommendations Indiana's school choice program should be reexamined and restructured to achieve more equitable access to students from protected groups through geographic admission requirements that are inclusive of students in high poverty and racially segregated neighborhoods.

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[9] Alexander, K. "Public Education and the Public Good". 1997. *Social Forces*. 76(1).

[10] Moore, Sandra M. and Susan K. Glassman. "The Neighborhood and Its School in Community Revitalization: Tools for Developers of Mixed-Income Housing Communities". *Housing and Urban Development*. 2007.

- As opportunities allow, the state legislature and/or the Department of Education should explore a geographic admission percentage requirement for future applicants and transparency in the admissions process among private schools to allow more opportunities for students living in racially and socioeconomically segregated neighborhoods to participate. For example, Dallas Independent Schools operates an admission system for magnet schools which requires an admission percentage from each of four quadrants of the highly segregated city resulting in a school population that reflects the population of the city. It is important to note that there are substantial benefits to White, higher income students who attend racially and socioeconomically diverse schools.[11]
- Similarly, the legislature and/or Department of Education should allocate additional and targeted resources for schools with extensive student population challenges. School funding has been directly linked to improved academic outcomes over time, specifically for lower income students in lower income concentrated schools who do not have the benefit of parent participation and monetary contributions through Parent Teacher Organizations.[12]

Fair housing issue: Lack of awareness and knowledge of state and local fair housing laws among housing providers and the general public. Stakeholders identified a general lack of awareness/knowledge of state and local fair housing laws, rights, and responsibilities among residents and landlords as significant fair housing barrier that disproportionately impacts protected class groups and other special needs populations. Individuals who participated in interviews explained that this has both enabled and allowed fair housing violations and made it more difficult for residents to enter housing and remain stably housed.

Strategies and recommendations. Strategies and recommendations to increase fair housing knowledge and awareness of rights/responsibilities in housing could include:

- Continue to fund and elevate fair housing trainings for the general public, housing providers, advocates, community organizations, and populations impacted by housing discrimination. Fair housing topics could cover housing advertisements; housing rights of domestic violence survivors; evictions; common forms of discrimination against families with children and persons with a disabilities; reasonable accommodations/modifications; LGBTQ discrimination; landlord-tenant relations; and other relevant fair housing issues.

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[11] Pettigrew, T., & Tropp, L. “A meta-analytic test of intergroup contact theory”. *Journal of Personality and Social Psychology*. 2006. 90(5).

[12] Lafortune, Julien, Jesse Rothstein and Diane Whitmore Schanzenbach. “School Finance Reform and the Distribution of Student Achievement”. March 2016. http://equitablegrowth.org/school-finance-reform-and-the-distribution-of-student-achievement

- Develop a program for town and county executives (Mayors, City Managers, Planning Directors and staff) to bolster their knowledge and awareness of fair housing laws and housing needs in their communities—and to encourage local methods to reduce fair housing barriers. This should include:
    - Accessibility requirements and reasonable accommodations as mandated by the federal Fair Housing Act (FHA) and Americans with Disabilities Act (ADA), including the benefits of accessible and visitability features;
    - Creation of sample and best practice websites that effectively increase awareness of fair housing laws/ordinances among constituents, AFFH commitments of grantees, and residents' and landlords' housing rights/responsibilities. Webpages should be available in multiple languages with referrals, contacts, resources, and information on federal, state, and local laws.
    - Strategies and best practices for addressing housing needs including considering state legislative efforts to preempt local governments' ability to increase the supply of affordable housing, extend fair housing statutes to include protected classes beyond federal law, and regulate landlord-tenant relations.