Part 1: Application Process

1.1 Overview and Funding Priorities

The purpose of this application is to provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation and/or new construction of single-family housing to serve low-income beneficiaries. Through this program, IHCDA seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate HOME Investment Partnership Program (HOME) funds to be used for the rehabilitation and/or new construction of single-family homebuyer housing among selected applicants having projects that meet the requirements of the program and IHCDA's goals for the program.

1. Demonstrate they are meeting the needs of their specific community;
2. Serve low-income households (at or below 80% of area median income);
3. Proceed with the activity upon receipt of the award and begin construction within 12 months of receipt of the award;
4. Link the project to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);Advance projects that promote aging-in-place strategies for seniors, persons with disabilities, and families with seniors or persons with disabilities;
5. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure; and,
6. Propose the use of state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and/or Service Disabled Veteran Owned Small Business (SDVOSB) contractors, employees, and products when applicants are planning and undertaking their housing activities.

1.2 Funding Round Timeline

Note: This is an anticipated schedule and is subject to change or extension.

Application Available / Round Begins	January 27, 2016
Application Webinar	February 2016
Application Due Date	March 16, 2016
Award Announcements	May 11, 2016

1.3 Application Webinar

An application webinar will be conducted prior to the application deadline. During the webinar, the IHCDA Real Estate Production Department staff will describe the requirements of the HOME program, threshold and scoring criteria, how to complete the required forms and how to utilize the FTP site. Local Units of Government and Not-for-Profit entities intending to apply are *strongly encouraged* to attend.

Technical Assistance

The applicant may, but is not required, to schedule a technical assistance meeting with its regional IHCDA Real Estate Production Analyst to discuss both the proposed project and IHCDA's application process. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

1.4 Application Submission

The applicant must submit the following items to IHCDA's Real Estate Department Coordinator:

- Via FTP site:
  - One completed copy of the HOME application forms.
  - 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.
- Via hard copy:
  - One completed copy of the final application forms with original signatures

All required application items are due no later than 5:00 p.m. Eastern Standard time on or before the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Instructions on how to utilize the FTP site will be explained during the Application Webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: HOME Application
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

IHCDA will send an email confirmation to the applicant contact within one week of submission notifying the applicant that the application was received by IHCDA. Please notify Dani Miller at danmiller@ihcda.in.gov if the applicant would like to add an additional contact person for communications regarding this application.

1.5 Application Review

Each application must address only one project. Applications are reviewed in a three-step process:

Step One - Completeness	On or before the application deadline, the applicant must provide all required documents, signatures and attachments.
Step Two - Threshold	The application must meet each of the applicable threshold criteria. After initial threshold review, IHDCA staff may contact an applicant to request clarification of threshold information contained in the pending application. The applicant will have the opportunity to respond on or before the due date provided by IHCDA. If the applicant does not respond to the threshold clarification letter and therefore threshold item(s) are still in question, the application will be disqualified. Applications may have no more than three

outstanding clarifications after the second review or the application will be disqualified. Points will be awarded to those applications where no clarifications are required.

Step Three - Scoring

Applications that pass the completeness and threshold reviews are then scored according to IHCDA's published scoring criteria. After initial score review, IHCDA staff may contact the applicant for further clarification of a scoring item. Failure to respond to the requested scoring clarification items by the due date and in the manner requested may result in application denial. Supporting documentation for scoring categories will not have the opportunity to be submitted after the initial application submission.

Funded applications will be announced at the published IHCDA Board Meeting date. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified by IHCDA via a denial letter and score sheets being uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications not funded will not be rolled over into the next funding round.

Rental and homebuyer developments will compete in the same round but will complete separate applications. For purposes of funding, projects will be considered under a rental or homebuyer set-aside. The amount available for each activity has been prescribed in IHCDA's Consolidated Plan. If additional funds are available that were originally reserved for homebuyer activities (either due to lack of homebuyer applications in general or lack of homebuyer applications meeting threshold or minimum score requirements), these funds will be redirected and used for rental development.

1.6 Minimum Score Requirement

An application must score at least 75 points to be considered for funding.

1.7 CDBG & HOME Award Compliance Manual

The IHCDA CDBG & HOME Program Award Compliance Manual (the "Compliance Manual") outlines the requirements for administering IHCDA's HOME awards. In addition, recipients of funding for rental projects should also refer to the *Federal Programs Ongoing Rental Compliance Manual* for information about compliance during the affordability period. Complete copies of both compliance manuals are available on IHCDA's HOME program webpage.

1.8 Award Compliance Trainings

In an effort to continuously improve the capacity of our partners carrying out the HOME program, IHCDA will require HOME recipients to attend a series of free HOME technical assistance trainings during the 24-month HOME award period. The trainings will be conducted by a third-party and will explain the various aspects of the regulatory requirements for administering the award. In addition, IHCDA staff will be available to provide one-on-one award trainings upon request.

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 Rehabilitation	✓	✓	✓	✓	Not eligible
Acquisition and Homebuyer Rehabilitation	✓	✓	✓	✓	Not eligible
Homebuyer New Construction	✓	✓	✓	✓	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:

Anderson
Bloomington
East Chicago
Evansville
Fort Wayne
Gary
Hammond
Indianapolis*
Lake County
Lafayette Consortium**
Muncie
South Bend Consortium***
Terre Haute

*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 Ineligible Applicants

IHCDA reserves the right to disqualify from funding any application that has either an applicant, sub-recipient, administrator, preparer or related parties of any of the aforementioned has a history of disregarding the policies, procedures, or staff directives associated with administering any program administered by IHCDA or programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, or the Federal Home Loan Bank.

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in the *CDBG and HOME Award Compliance Manual* Chapter 17.

2.3 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 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 acquisition/rehabilitation, rehabilitation, or new construction of single-family housing for homebuyer activities. Acquisition only is not an eligible activity; however acquisition in conjunction with another activity is permitted.

- Rehabilitation, new construction and 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 twelve (12) 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 (2) 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 under the HOME program:
- Rental housing;
- Performing owner-occupied rehabilitation;
- Permanent Supportive Housing projects except for proposed projects that have successfully completed the Indiana Permanent Supportive Housing Institute. Permanent Supportive Housing projects will also be funded through the Rental Housing Tax Credit (RHTC) program.
- 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 one hundred (100)-year floodplain. A flood determination must be provided for each parcel associated with the project;
- Acquisition, rehabilitation or construction of any developments that will be applying for RHTC. These developments must apply for HOME funds as part of the RHTC application (also called the Qualified Allocation Plan);
- Any housing activity funded under Title VI of NAHA, prepayment of mortgages insured under the National Housing Act, public housing developments, or acquisition, rehabilitation or construction of any developments funded under HUD's former Rental Rehabilitation Program;
- Costs for supportive services, homeless prevention activities, operating expenses, or for the use of commercial facilities for transient housing;
- Acquisition, rehabilitation or construction of transitional housing or emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for homeless persons;
- Payment of HOME loan servicing fees or loan origination costs;
- Tenant-based rental assistance;
- Payment of back taxes.

In addition, IHCDA **does 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 HOME Program Requirements

The proposed HOME project must follow these minimum requirements, and all other requirements laid forth in the Compliance Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's Compliance Manual. The link and the appropriate chapter are included.

- Recipients must comply with all regulatory requirements listed in 24 CFR Part 92.
- Homebuyer activities must assist households at or below eighty percent (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 (see Chapter 1 in the IHCDA Compliance Manual).
- An income verification is valid for a period of six (6) months. If more than six (6) months pass between income verification and contract execution/purchase agreement, then a new income verification must be completed. All income verification procedures outlined in the IHCDA Compliance Manual, Income Verification Chapter 8 must be followed.
- All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur at the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion

of the construction for the award. The IHCDA Inspector will conduct the physical inspections. (IHCDA Compliance Manual, Construction Standards & Physical Inspections Chapter 14)

- The match requirement for the HOME program is 25% of the total amount of HOME funds requested except HOME funds used for administrative and 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) . (IHCDA Compliance Manual, Policy Requirements Chapter 1 and Chapter 12, Funds Management)
- To help facilitate timely expenditure of HOME funds, all applicants are required to submit the Environmental Review Record (ERR) and Section 106 Review at the time of application. If awarded HOME funds, the HOME recipient must receive an IHCDA Release of Funds before the fully executed award documents are released and any funds are drawn. (IHCDA Compliance Manual, Environmental Review Chapter 11). For more information, contact the IHCDA Design and Construction Review Manager.
    - 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.
- 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. (IHCDA Compliance Manual, Procurement Procedures Chapter 10)
- 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.
    - 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. (IHCDA Compliance Manual, Procurement Procedures Chapter 10)
- 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. (IHCDA Compliance Manual, Lead Based Paint Chapter 2)
- Each recipient of a HOME award is subject to the requirements of the Uniform Relocation Act. See the IHCDA's Compliance Manual Chapter 4 on URA for guidance on the regulatory requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.
- 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 which implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C. 3601-3619). See the IHCDA Compliance Manual Chapter 3 for guidance on the regulatory requirements of Section 504 Accessibility 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 receiving $200,000 or more in construction funding from all 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. (IHCDA Compliance Manual, Section 3 Chapter 7)
- Recipients of HOME funds must meet additional energy efficiency standards for new construction as described in 24 CFR 92.251.
- Projects performing the rehabilitation activity with a total of 26 or more units (the total of HOME-assisted and non-HOME assisted units) must complete and provide a Capital Needs Assessment (CNA).
- The recipient of HOME funds must ensure that every HOME-assisted homebuyer receives housing counseling before purchasing a home. The counseling can be provided by the recipient, an organization under contract with the recipient, or a qualified third party independent recipient (e.g., a HUD-approved housing counseling agency). The counseling should be comprehensive by including post-purchasing counseling, if feasible.
- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.
- Any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within nine (9) months of completion must be converted to a HOME-assisted rental unit.
- Recipients 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.
- 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.

3.4 Affordability Requirements

HOME subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The affordability period begins on the date the activity is completed in IDIS. To be completed in IDIS, the project must be completed, completion and close out documents submitted and approved, final monitoring is completed and, when any findings or concerns are resolved, all of the funds are drawn and/or deobligated.

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

The recipient must take measures to ensure that HOME-assisted homebuyer units continue to be the homebuyer's principal residence throughout the Affordability Period by annually certifying the principal place of residency.

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.

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 contact each homeowner to have request the homeowner to sign the "Exhibit A: Principal Place of Residency Certification."

The "Homebuyer Activity Annual Certification of Compliance" is due on or before January 31st of each year and will certify information for the preceding twelve (12) month period. The first annual owner certification is due by January 31st of the year following closeout date (i.e. the first year of the affordability period) of this Award.

A complete submission includes the Certification, Exhibit A, and Exhibit B. The "Homebuyer Activity Annual Certification of Compliance" and related exhibit forms are made available on the compliance and asset management page of IHCDA's website at http://www.in.gov/myihcda/2342.htm. IHCDA will not send these forms to the recipient annually. Rather, it is the responsibility of the recipient to download the necessary forms and to contact IHCDA if there are any questions or concerns.

If the annual certification is not submitted for the Award by the January 31st due date, IHCDA will contact the recipient with a reminder letter. Failure to submit reports by the deadline will result in a

$100 penalty late fee. This fee will be requested in the reminder letter sent by IHCDA.

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 *HOME and CDBG Award Compliance Manual.*

3.5 Homebuyer Resale Provisions

The recipient must implement resale requirements for every homebuyer property constructed, redeveloped, rehabilitated, or acquired, in whole or in part, with HOME funds in the form of a development subsidy. The development subsidy consists of the difference between the cost of producing the unit and the market value of the property..

If the homebuyer no longer occupies the property as its primary residence the property: (1) must be resold to another individual or family; who meets the Affordability Requirements; and (2) must be resold at a price that does not exceed twenty-nine percent (29 %) of that individual's or family's gross income towards the principal, interest, taxes and insurance for the property on a monthly basis ("Affordable Price"). The homebuyer must resale the property within six (6) months of the date it fails to occupy the property as its primary residence. 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. The homebuyer's investment will include any down payment, plus any capital improvements. A capital improvement is any property enhancement that increases the overall value of the property, adapts it to new uses, or extends its life such as: adding windows, insulation, a new drive way, a new furnace, a garage, bedroom, new roof, remodeling kitchen, etc. Any capital improvement will be valued based on actual cost as documented by the homebuyer's receipts. 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. The property cannot be sold for a price higher than indicated above.

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.

In accordance with CPD Notice 12-003 If a HOME-assisted property is foreclosed upon, sold or the homebuyer is no longer using the property as its principal residence and the affordability requirements are not preserved by a subsequent purchaser at a reasonable price by a low-income homebuyer who

will use the property as its principal residence, and agree to assume the remainder of the original affordability period, the recipient must repay the ENTIRE amount of HOME funds invested in the property.

3.6 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 subsidy from the recipient in an amount greater than or equal to One Thousand and 00/100 Dollars ($1,000) 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.

If the homebuyer no longer utilizes the property as its principal residence during the Affordability Period defined below, the amount to be recaptured is the shared net proceeds of a prorated amount of the homebuyer subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the Affordability Period. If there is both a development subsidy and a homebuyer subsidy or just a homebuyer subsidy, a recapture provision must be implemented. In cases where a homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

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 the homebuyer sells the property or the property is foreclosed upon during the term of the Affordability Period, the amount to be recaptured is the shared net proceeds of a prorated amount of the homebuyer subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the affordability period. Any net proceeds that exist will be shared between IHCDA and the homebuyer. If there are not any proceeds, there is no amount to recapture.

The net proceeds are the total sales price minus all loan and/or lien repayments. The net proceeds will be split between the IHCDA recipient and borrower as outlined according to the forgiveness schedule contained in IHCDA's *CDBG and HOME Program Manual.*

If there is both development subsidy and homebuyer subsidy or just homebuyer subsidy, a recapture provision must be implemented. In cases where a homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

In cases of non-compliance, 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 the entire amount of the HOME funds invested in the property must be repaid.

Under recapture guidelines the Affordability Period is based upon the total amount of the homebuyer subsidy that the homebuyer received in HOME funds.

Part 4: CHDO

4.1 IHCDA CHDO Set-Aside

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

4.2 CHDO Eligible Activities

- Permanent rental and homebuyer housing are considered CHDO-eligible activities for purposes of the CHDO set-aside as long as the activity takes place within the CHDO's state-certified service area and the CHDO must own, develop, or sponsor the activity.
    - HOME-assisted homebuyer's program: When the CHDO owns and develops new housing that will be constructed or if the CHDO is the current owner or will be acquiring existing housing that will be rehabilitated. As developer, the CHDO must arrange financing for the project and be in sole charge of construction.

4.3 CHDO Program Requirements

CHDOs must adhere to all HOME requirements listed in this Application Package and the additional CHDO specific program requirements:

- The CHDO must have a current CHDO Certification issued by IHCDA.
- Treatment of Program Income by a CHDO: Proceeds generated from a Community Housing Development Organization ("CHDO") development activity may be retained by the CHDO but must be used for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). Such proceeds are not considered program income and are not subject to HOME Program requirements. However, 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. Please contact your Compliance Monitor for further assistance in this area. 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.
- An application for a CHDO eligible undertaking must demonstrate the following:
    - Low- and moderate-income persons have had the opportunity to advise the CHDO in its decision regarding the design, site, development, and management of the affordable housing undertaking.
    - Certify that the organization continues to meet the definition of a CHDO by being a certified CHDO by IHCDA.
    - Complete the CHDO related sections in the HOME 2016 FY Application Forms.
- Homebuyer provision for CHDO-eligible activities, the HOME funds may be provided as a homebuyer deferred payment or forgivable loan and must carry a zero (0%) interest rate and the term must not exceed the affordability period. The Single Family proforma that is submitted to IHCDA at set-up must include:
    - The affordable payment (Principal, Interest, Taxes, Insurance, and Utilities) must have a front-end ratio of twenty-nine percent (29%) of gross income.
    - Applicants should not allow a mortgage payment that exceeds the back-end affordable payment ratio calculated at forty-one percent (41%) of gross monthly income.
    - If the activity is for new construction, at least $50.00 per month must be budgeted for property taxes, unless documentation is provided that indicates that taxes will be lower than this amount.

- Applicants must include a utility allowance between $125.00 and $200.00, unless documentation is provided that indicates that utilities will be lower than this amount.
- Donations toward a home must be counted at one hundred percent (100%) of the value; however, in the financial analysis seventy-five percent (75%) of this value must be counted toward either development and/or homebuyer subsidy. But if including a developer fee this is not eligible and one hundred percent (100%) of the value must be counted.

- CHDO Operating Costs – CHDO operating costs are those costs directly related to administering an IHCDA HOME CHDO award and complying with the regulations associated with these funds. HOME funds expended on CHDO operating costs incur no match liability. This line item cannot exceed five percent (5%) of a HOME award and generally is between $5,000.00 and $10,000.00. This line item along with developer's fee, program delivery, and environmental review cannot exceed twenty percent (20%) of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCDA are not eligible for reimbursement through a HOME award.

  Eligible costs include:
  - Affirmative marketing
  - Fair housing education
  - Postage
  - Office materials and supplies
  - Photocopying
  - Office rent and utilities
  - Travel related to the housing activity
  - Communication costs
  - Lead based paint training
  - Staff time or professional services related to reporting, compliance, monitoring, or financial management
  - Training related to the housing activity

4.4 CHDO Operating Supplement

CHDOs may apply for supplemental funds in the HOME 2016 HOME Supplemental Application Forms. The CHDO may apply for up to $50,000 in supplemental funding tied to a specific CHDO HOME eligible project.

4.5 CHDO Predevelopment and Seed Money Loans

CHDOs are eligible for project specific predevelopment or seed money loans. The CHDO must apply for the predevelopment or seed money through a separate application process. Please contact your Real Estate Production Analyst for more details.

Part 5: Subsidy Limitations & Eligible Activity Costs

5.1 Subsidy & Budget Limitations

The maximum request amount per application is $500,000 for eligible homebuyer activities.

Subsidy Limitations

HOME funds used for acquisition, rehabilitation, new construction, program delivery, relocation, rent-up reserve, and developer's fee combined cannot exceed:

Bedroom Size	Per Unit Subsidy Limit
0	$55,000
1	$63,000
2	$77,000
3	$99,000
4+	$109,000

Minimum amount of HOME funds to be used for rehabilitation or new construction is $1,000 per unit.

Budget Limitations

HOME funds cannot be used for reserve accounts for replacement or operating costs, but may be used as a Rent-Up Reserve.

All subsidies must be secured throughout the affordability period by a written, legally binding, recorded restrictive covenant.

HOME funds budgeted for administration or CHDO operating costs cannot exceed five percent (5%) of the HOME award.

HOME funds budgeted for developer's fee cannot exceed fifteen percent (15%) of the HOME award.

HOME funds budgeted for administration or CHDO operating, program delivery, environmental review and developer's fee together cannot exceed twenty percent (20%) of the HOME award.

5.2 Form of Assistance

HOME funds will be awarded to the recipient in the form of a grant or loan. Award documents must be executed in order to access funds and will include, but are not limited to: award agreement, resolution, and a lien and restrictive covenant agreement.

The applicant may then provide the HOME award as a forgivable, amortized, or deferred loan to as many other entities as it chooses, known as subgrantees (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 homebuyer. Another example is when an IHCDA recipient is assisting a property that that it does not own. When the loan is made from the IHCDA recipient to the subgrantee, a title company must be used.

The IHCDA recipient must execute a promissory note, mortgage, lien and restrictive covenant agreement, security agreement, UCC Financing Statement(s), and other documents as directed by IHCDA in order to secure IHCDA's investment in the assisted property. The recipient is required to deliver these documents to the county recorder's office for recording. These documents will be reviewed during monitoring visits.

The homebuyer must execute a lien and restrictive covenant agreement and in accordance with CPD Notice 12-003, the recipient must execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME-assisted unit (i.e., period or affordability, principal residency requirement, etc.), and assists the recipient in enforcing those requirements.

5.3 Eligible Activity Costs

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

RETAINAGE POLICY - IHCDA will hold the final $5,000.00 of an award until the completion reports, leverage documentation, and closeout documentation is received and approved. Additionally, IHCDA will hold the final $5,000.00 of an award until the final monitoring and final inspection have been completed and all findings and/or concerns associated with them have been resolved.

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.

HOMEBUYER SUBSIDY OR DIRECT SUBSIDY – A Homebuyer Subsidy may include closing costs, principal reduction, or interest rate buy-downs provided to program participants, or any assistance that reduces the purchase price from the fair market value to an affordable price. For homebuyer projects only.

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

REHABILITATION – Eligible costs include:

- Hard costs associated with rehabilitation activities
- Lead-based paint interim controls and abatement costs.
- Mold remediation.

- 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.
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- Site work related to driveways, sidewalks, landscaping, etc.

DEMOLITION – Costs associated with the demolition and clearance of existing structures.

PROGRAM DELIVERY - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed twenty percent (20%) of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Additionally, program delivery may be used to pay off a HOME CHDO Predevelopment or CHDO Seed Money loan but may not exceed the twenty percent (20%) line item cap.

Eligible costs include:

- Engineering/Architectural Plans
- Financing costs
- Client in-take / Income verification
- Plans, specifications, work write-ups
- Credit reports
- Title Searches
- Impact fees
- Inspections
- Cost estimates
- Building permits
- Recording fees
- Demolition permits
- Travel to and from the site
- Lead hazard testing
- Private lender origination fees
- Appraisals
- Consultant fees
- Realtor fees
- Utilities of assisted units
- Other professional services
- Builders risk insurance
- Phase I Environmental Assessments
- Closing costs paid on behalf of homebuyer
- Legal and accounting fees

RELOCATION - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, nonprofit 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 Compliance Manual Chapter 4.

LEAD HAZARD TESTING – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are $1000.00 per unit.

HOMEOWNERSHIP COUNSELING – Costs associated with formal training provided to prospective homebuyers. This item is limited to $1,000.00 per homebuyer. Applies to homebuyer projects only.

Eligible costs include:

- Course material development/costs
- Related travel

- Underwriting
- Professional services
- Intake
- Training location
- Credit reports
- Postage
- Income verification
- Loan processing
- Program management
- Marketing and advertising

DEVELOPER'S FEE – Developer's fees are only available with HOME funded activities and cannot exceed fifteen percent (15%) of the HOME award. Additionally, the total of Developer's Fee, Administration or CHDO operating, program delivery and environmental review cannot exceed twenty percent (20%) of the HOME request.

ADMINISTRATION - The administration line item includes those costs directly related to administering the IHCDA award and complying with the regulations associated with these funds. This line item cannot exceed five percent (5%) of the HOME request and generally is between $5,000 and $10,000. This line item along with Developer's Fee, program delivery, and environmental review cannot exceed twenty percent (20%) of the HOME request. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCDA are <u>not eligible</u> for reimbursement through a HOME award. This line item does not incur a match liability for HOME funds.

Eligible costs include:

- Affirmative marketing
- Fair housing education
- Postage
- Office materials and supplies
- Photocopying
- Office rent and utilities
- Travel related to the housing activity
- Communication costs
- Lead based paint training
- Staff time or professional services related to reporting, compliance, monitoring, or financial management
- Training related to the housing activity

CHDO OPERATING COSTS – Please refer to the CHDO section of this application package.

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the Environmental Review Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the Program Delivery line item. This line item along with developer's fee, program delivery and administration or CHDO operating cannot exceed twenty percent (20%) of the HOME request. Eligible costs for this line item are generally between $2,000 and $5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCDA Compliance Manual or contact IHCDA's Design and Construction Review Manager.

<u>Ineligible Activity Costs</u>

- 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 fifteen (15)-year proforma.

- Costs associated with preparing an application for funding through IHCDA.
- Purchase or installation of luxury items, such as swimming pools or hot tubs.
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Cost of supportive services.
- General operating expenses or operating subsidies.
- Providing tenant based rental assistance.
- Mortgage default/delinquency correction or avoidance.
- Loan guarantees.
- Annual contributions for operation of public housing.
- Costs associated with any financial audit of the recipient.

5.4 Program Income

Proceeds generated from a Community Housing Development Organization ("CHDO") development activity may be retained by the CHDO but must be used for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). Such proceeds are not considered program income and are not subject to HOME Program requirements. However, 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. Please contact your Compliance Monitor for further assistance in this area. 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.

Income generated by not for profits or for-profits, acting as developers of HOME units, may be retained by the developer and is not subject to HOME Program requirements.

Additionally, all legal documents, such as mortgages, security agreements, UCC financing statements, and liens executed by the recipient and the beneficiary or subrecipient, receiving assistance, must be recorded at the county recorder's office. These documents must be submitted to IHCDA at closeout along with the IHCDA recipient's completion reports and will be reviewed during monitoring visits conducted by IHCDA staff.

The State of Indiana, Department of Financial Institutions, has determined that any community development corporation (as defined in IC 4-4-28-2) acting as a subrecipient of funds received from; the Indiana Housing and Community Development Authority is exempt from the requirements of the Consumer Credit Code set forth in (IC 24-4.5), including its loan licensing requirements. Subsequently, if you are a not for profit that does not meet these requirements, you could be subject to the loan licensing requirements as listed above.

Additionally, if your organization makes more than twenty (25) consumer loans in a year, then the loan-licensing requirements referenced above could become applicable.

Part 6: Homebuyer Requirements

The purpose of this activity is to provide funding to improve the quality of housing stock while making it affordable for homebuyers. Funding is available for rehabilitation, new construction, or acquisition/rehabilitation of housing that will be sold to income-eligible homebuyers. HOME projects can propose homebuyer activities with this policy and corresponding application forms. Rental activities are eligible using the Rental policy and corresponding application forms.

6.1 Eligible Beneficiaries

Each household must have an annual income equal to or less than eighty percent (80%) of the area median family income (adjusted for household size) at the time the contract to purchase the home is signed. The Section 8 definition of household income applies. See Chapter 8 of the *CDBG and HOME 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 (see Chapter 1 in the *CDBG and HOME Program Manual).*

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.

A household owns a property if that household:

- Has fee simple title to the property; or
- Maintains a 99-year leasehold interest in the property; or
- Owns a condominium; or
- Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
- For manufactured housing, land must be owned by the manufactured housing owner or leased for a period at least equal to the duration of the affordability period; or
- Maintains an equivalent form of ownership approved by HUD.

Ownership does not include land contracts/contracts for deeds.

6.2 Affordability Periods and Resale/Recapture Requirements

All homebuyer projects are subject to an Affordability Period as defined in Part 3.4 of this document.

The recipient must implement resale or recapture provisions through a recorded lien and restrictive covenant agreement as described in Parts 3.5 and 3.6 of this document.

6.3 Homebuyer Provisions

- Recipients are required to identify and qualify homebuyers prior to acquiring and beginning construction on the HOME-assisted units; however, HOME-assisted units are not considered

completed until occupied by an income eligible homebuyer. Therefore, units that are not completed during the award timeframe may affect future funding decisions.

- Recipients will be required to provide an "after rehab" or "construction value" appraisal; whichever is appropriate, from a licensed appraiser for all property assisted with the award with the first draw that includes hard costs. If the applicant is acquiring property an "as-is" appraisal is required with the first draw request for acquisition reimbursement. See IHCDA's Compliance Manual for details.
- Applicants also performing rehabilitation on the housing in this activity must purchase:
    - Homebuyer residential units,
    - Rental units that have been vacant for three (3) or more months, or
    - Occupied rental units only if the current tenant will become the eventual homebuyer. See the IHCDA's Compliance Manual for further guidance.
- Subsidy analysis must be based on a borrower's payment for a minimum of a 20-year mortgage.
- Recipients are required to provide homeownership counseling to all program beneficiaries.
- The recipient may not charge servicing, origination, processing, inspection, or other fees for the costs of providing homeownership program assistance.
- If the not-for-profit applicant anticipates selling the HOME-assisted unit to a buyer that will utilize an FHA or VA insured mortgage, they may be required to first be approved by HUD to be a secondary lender. Information on how to become a HUD-approved lender can be obtained at HUD's website or by calling the HUD's Atlanta Homeownership Center toll free at (888) 696-4687 ext. 2055.
- 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 FHA 203(b) mortgage limits. In the case of acquisition with rehabilitation, the property must have an estimated value after rehabilitation that does not exceed the FHA 203(b) mortgage limits. For a list of current mortgage limits, see the appropriate RED Memo on IHCDA's website.
- The HOME-assisted housing unit must be occupied as the homebuyer's principal residence throughout the Affordability Period.
- Homebuyer units that are multi-family (four (4) or less units) must meet all program requirements. The owner must be income qualified (income from the rental units must be included). The occupants of the rental units must also be income qualified and impose all rental requirements.
- Any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within nine (9) months of completion of construction or rehabilitation (meaning all necessary title transfer requirements and construction work have 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

Part 7: Completeness & Threshold Criteria

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 criteria listed below.

7.1 Completeness Requirements

1) Timeliness – All documentation must be turned in by the application due date.
    i) On or before the application deadline, the applicant must provide all documentation as instructed in this Application Process Handbook as well as required documentation listed in the HOME Application Form.
    ii) If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
    iii) Any forms that are late will be denied review and will be sent back to the applicant.
2) Responsiveness – All questions must be answered and all supporting documentation must be provided.
    i) The applicant must provide all documentation as instructed in this Application Process Handbook as well as required documentation listed in the HOME Application Forms.
    ii) The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
    iii) Required signatures must be originally signed.

7.2 Threshold Requirements

All documentation must be issued/dated within six months of the Application deadline date. A Threshold checklist can be found in the 2016 HOME Homebuyer Supplemental Application forms.

1) Feasibility
    - Turn in the 2016 HOME Homebuyer Supplemental Application and supporting documents via the FTP site and send one original copy of the signed Application Forms to IHCDA in a complete and timely fashion.
    - Completed Environmental Review
        i) Submit completed Environmental Review forms. Instructions and forms can be found in Chapter 11 of the IHCDA Compliance Manual, here: http://www.in.gov/myihcda/2490.htm
        ii) A floodplain determination must be submitted for each parcel.
    - Submit a copy of the applicant entity's most recent audited financial statements or tax returns
    - Project Narrative – answer questions describing your project found in the Narrative Tab in the Application Forms.
    - Market - HUD requires that IHCDA certify that there is adequate need for each project based on the neighborhood's housing market. In order to help make this determination, please answer all of the questions in the Market tab in the 2016 HOME Supplemental application. Attach any relevant support material such as planning documents and maps in Tab G.

- Sources and Uses – Complete the following:
  i) Homebuyer Proforma in Application Forms for each identified HOME-assisted homebuyer.
  ii) Sources and Uses tab in Application Forms.
  iii) Submit supporting documentation in Tab J, including any:
    (1) Signed letters of commitment with funding terms and amounts, dated within six months of application due date.
    (2) Supporting documentation for in-kind donations to demonstrate value.
- Budget – Complete budget tab in Application Forms

2) Eligibility
- CHDOs
  i) Complete Tab 16 in the Application Forms
  ii) If applying for a CHDO Operating Supplement, fill out section G of the Application Cover Page and Tab 17 in the Application Forms
- Not for Profit Corporations
  i) Must be organized under section 501(c)3 or 501(c)4 of the Internal Revenue Code (except CHDOs). Provide a copy of the IRS determination letter for not-for profit corporations.
  ii) Provide proof the organization is in good standing. Submit a copy of the Certificate of Existence from the Indiana Secretary of State that is no more than six months old.

3) Notifications
- Application Cover Page in Application Forms - Submit a copy of the System of Award Management (SAM) registration in Tab A. https://www.sam.gov/portal/SAM/#1
- Application Summary Tab in Application Forms - Turn in Owner notification in Tab B.
- Application Summary Tab in Application Forms – Turn in Letter from Highest Elected Official in Tab C.
- Application Summary Tab in Application Forms - If project received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development Office. Provide a copy of the letter along with proof of sending in Tab E.

4) Development Requirements
- All other development funding must be committed prior to submitting an application for HOME funding to IHCDA. Fill out the Sources and Uses tab in the Application Forms. Submit any required supporting documentation in Tab J.
- Commit to assist households at or below eighty percent (80%) of the Area Median Income for the County. Answer question 12 in the Application Summary Tab in the Application Forms.
- Affirmative Fair Marketing Plan - In accordance with 24 CFR 200.620 and 24 CFR 92.351(a), the Recipient must adopt an Affirmative Fair Housing Marketing Plan for rental and homebuyer projects containing five (5) or more HOME assisted housing units. Provide form HUD 935.2A in Tab H.
- Match Requirement - The match requirement for the HOME program is 25% of the total amount of HOME funds requested minus administration and CHDO operating award. Match must be committed prior to submitting an application for HOME funding to IHCDA and to pass threshold review. Provide the following:
  i) Turn in the Match Spreadsheet in Tab J.
  ii) Fill out Match tab in Application Forms.
  iii) Submit supporting documentation in Tab J.

Part 8: Scoring

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

Scoring Category	Points Possible
Project Characteristics	38
Development Features	25
Readiness	13
Capacity	30
Financing	10
Unique Features & Bonus	10
Total Possible Points	**126**

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 75 points to be considered for funding.

8.1 Project Characteristics — Category Maximum Points Possible: 38

This scoring category describes the proposed project. The points can be achieved through the following sub-categories: Constituency Served, Targeted Population, Comprehensive Community Development, and Services.

1) *Constituency Served* — *Maximum Number of Points: 8*

Points will be awarded to applicants that have at least 20% of the potential homebuyers identified and income verified.

Homebuyers Identified	Points
At least 20% of the potential homebuyers are identified and income verified.	8

Include the following:
-A completed Form F Client Intake List in Tab K.

2) *Aging in Place Targeted Populations* — *Maximum Number of Points: 5*

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.

Points will be awarded to applicants that target populations with special housing needs under IHCDA's AIP priority in accordance with the following guidelines and charts.

Target Population: Aging in Place	Points
100% of homebuyer units meet the "visitability" standard (see below). In addition, all units shall be made accessible upon the request of the prospective buyer.	5

Visitability is defined as housing designs that allow persons with mobility impairments to enter and enjoy a residence. There are three (3) specific design elements that must be incorporated into the home to satisfy the visitability requirement.

1. At least one zero step entrance on an accessible route. This can be any entrance to the house; and
2. All main floor interior doors- including bathroom doors- provide at least 32 inches of clear passage; and
3. At least one half or full bathroom on the main level is accessible per the Fair Housing Act usable bathrooms requirement.

In order to receive points for AIP projects must satisfy the following criteria:

For New Construction:

- 100% of the units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code.
  Include the following:
  - *The originally signed HOME application will serve as certification that the development will comply with these requirements.*

For Rehabilitations:

- 100% of the ground floor units must be accessible or adaptable, as defined by the ADA and the Indiana Accessibility Code, and all units above the ground floor must be adaptable as defined by the ADA and the Indiana Accessibility Code unless the building(s) contained elevator(s)/Lift(s) prior to rehabilitation, in which case the elevators/lifts will need to be maintained and 100% of the units above the ground floor will need to be accessible and adaptable.
  Include the following:
  - *The originally signed HOME application will serve as certification that the development will comply with these requirements.*
  - *For rehab projects with more than 26 units, a capital needs assessment must be submitted in Tab K.*

3) *Comprehensive Community Development* *Maximum Number of Points: 13*
Projects with a Comprehensive Community Development focus are a part of a broader, more comprehensive approach to area improvement. These projects have the capability of contributing to fundamental change to the character of a targeted area. Points will be awarded to applicants whose projects contribute to the revitalization of existing areas.

In order to score points in this category, applicants will submit a Comprehensive Community Development Plan. Specific points will be awarded based on the chart below. Note that if a plan does not meet the first two requirements, Role of Housing and Implementation Date, then the plan will not qualify for any points in this category.

	1 Point	2 Points	3 Points	Required Documentation
Role of Housing *	• Plan makes reference to Housing as a goal	• Plan makes reference to Housing as a goal • Plan Specifically makes reference to the creation or need for affordable housing or IHCDA HOME Program	• Plan makes reference to Housing as a goal • Plan Specifically makes reference to the creation or need for affordable housing or IHCDA HOME Program • Plan provides evidence of how project is part of a larger revitalization effort	Page numbers of the plan making reference to: • Role of Housing • Reference to the creation or need for affordable housing or IHCDA HOME program • Part of a larger revitalization effort • Narrative about efforts leading to the creation of the plan
Implementation Date *	Plan was created/adopted between 9 -15 years ago	Plan was created/adopted between 4 - 8 years ago	Plan was created/adopted between 0 - 3 years ago	Submit electronic copy of entire completed plan with date of creation or adoption • Include page number of date of plan and/or adoption documentation
Target Area	Project targets a region or county, the region or county is referenced in the plan	Project targets a city or town, the city or town is referenced in the plan	Project targets a neighborhood or specific area, the neighborhood or specific area is referenced in the plan	Map of targeted area • Please identify project site location

Plan Components	Plan includes only one of the below components: • Implementation measures along with specific, current, and ongoing time frames for achievement • An evaluation of current area conditions •Public/community participation and narrative about efforts leading to the creation of the plan	Plan includes two of the below components: • Implementation measures along with specific, current, and ongoing time frames for achievement • An evaluation of current area conditions •Public/community participation and narrative about efforts leading to the creation of the plan	Plan includes all of the below components: • Implementation measures along with specific, current, and ongoing time frames for achievement • An evaluation of current area conditions •Public/community participation and narrative about efforts leading to the creation of the plan	Page numbers of the plan making reference to: •Implementation measures • Current area conditions • Public participation • Narrative about efforts leading to the creation of the plan
Adoption of the Plan	Plan has been adopted by the highest Local Unit of Government			Documentation of formal approval of plan as active by Local Unit of Government (example: city/town council resolution, signed minutes)

*The comprehensive plan must score in the Role of Housing and the Implementation Date categories in order to be considered for subsequent point categories.

In order to receive points under the Comprehensive Community Development scoring sub-category, *the applicant must submit the following in Tab L*:

- An explanation of how this project is part of a larger revitalization effort should be explained in the Project Narrative section of the application. You should include information regarding target size, a plan, the efforts already completed or underway, local support for this and other projects in the revitalization efforts, funding commitments, what is the intended impact and how impact will be measured, etc.
- All other required documentation that must be submitted in order to receive points in this category are indicated in red font in the chart directly above. Page numbers in the application are required in order to receive points.

The following will <u>not</u> be considered for points as eligible plans for this category: short-term work plans, consolidated plans, municipal zoning plans, or land use plans, plans that are older than fifteen years old and plans that do not reflect the current target area conditions.

- Target Area - Submit a scaled map that includes the project area boundaries and the specific site(s) with a map key labeling the site address(es). Clearly label the boundaries and indicate the size of the target area. Attach in Tab L.

- Evidence of Adoption - Submit a copy of the resolution by the Local Unit of government adopting the plan. Attach in Tab L.

4) *Services* *Maximum Number of Points: 12*

Points will be awarded to applicants whose projects contribute to the overall quality of life for the beneficiaries of the proposed project. Points will be awarded based on the chart below.

If the HOME applicant or sub-recipient is providing services, an MOU must still be executed in order for the commitment to provide services to be on file in our application records.

Level of Services	Points Possible
Level 1 Services: Up to three services at one point each.	3
Level 2 Services: Up to three services at two points each.	6
Level 3 Services: Up to four services at three points each.	12

In order to receive points for this scoring category, the applicant must submit in Tab M:
For Homebuyer Projects:

- **ONE** Form A: One Homeowner Investment Plan Matrix listing all services for the entire proposed project (found in the HOME Application Appendices);
- Form B: Homeowner Investment Plan Matrix for **EACH** service provider with original or a copy of original signatures (found in the HOME Application Appendices);

8.2 Development Features **Category Maximum Points Possible: 25**

This category describes the features of the overall proposed HOME project.

1) *Existing Structures* *Maximum Number of Points: 4*

Points will be award to developments that will utilize existing structures on at least 50% of the HOME assisted units. This may include properties in which an original substandard unit will be demolished and replaced with a comparable unit. Per the federal regulations, when replacing existing affordable housing, the number of replacement units must be one-for-one.

Projects will be awarded up to two points between the first three categories below. Projects can score two additional points if the development contains at least one historic resource.

Existing Structure	Points
Project is developing at least 50% of the vacant structure(s) for housing; **OR**	2
Acquiring and/or rehabbing at least 50% of existing housing stock; **OR**	2
Project is demolishing at least 50% of existing substandard units and replacing with a new units.	2
Total Possible	**2**
Development contains at least one unit that is a historic resource to the existing neighborhood.	2
Total Possible for Existing Structures	**4**

In order to receive points, the applicant must submit in Tab N:

- Photographs of the building to be reused;

- Documentation of whether or not the building is occupied;
- Narrative of how building will be reused;
- Either a letter from the Department of Natural Resources Division of Historic Preservation and Archaeology that specifically identifies the site as an historic resource, or a copy of the county interim report or some equivalent county historical society report identifying the property as either an historical resource or a contributing resource in an historic district.

2) *Infill* *Maximum Number of Points: 7*

Points will be awarded to applications that meet IHCDA's HOME criteria for Infill. For the HOME program, IHCDA defines infill housing as the process of vacant or underused parcels of land within existing areas that are already largely developed or previously developed. For purposes of this category, the following will not qualify as infill housing:

- Existing agricultural land except within corporate limits.

The development will receive points for contributing to the following infill attributes:

Infill Attribute	Points
The site must be surrounded on at least two sides with adjacent established development. Parks and green space area may qualify as established development, provided that they are part of a master plan or recorded instrument. IHCDA will look at the entire development site for phased developments.	2
The site must maximize the use of existing utilities and infrastructure.	2
At least one side of the development must be adjacent to occupied residential development, operating commercial development, active public space, or another active community activity.	2
The site demonstrates a return of cultural, social, recreational and entertainment opportunities, gathering places, and vitality to older centers and neighborhoods.	1

In order to receive points, the applicant must submit in Tab N:

- Aerial photos of the proposed site(s) with the site labeled;
- Brief description of how the site will return vitality to the neighborhood.
- For scattered site projects, 30% of the proposed sites must meet the infill attribute scoring criteria in order to receive the corresponding points.

3) *Design Features* *Maximum Number of Points: 3*

Points will be awarded for each Design Feature chosen, for a maximum of three points in this category.

Design Feature	Point
Exterior walls are at least 50% durable material (brick, stone, cement board).	1
Roofing system has at least a 30-year warranty.	1

Porch with a minimum of 48 square feet with a roof that is permanently attached to the residence.	1
The site demonstrates a return of cultural, social, recreational and entertainment opportunities, gathering places, and vitality to older centers and neighborhoods.	1
Deck with a minimum of 64 square feet that is made of wood or other approved materials.	1
Framing consists of 2” X 6” studs to allow for higher R-Value insulation in walls.	1
Garage with a minimum of 200 square feet that is made of approved materials, has a roof, is enclosed on all sides and has at least one door for vehicle access.	1
Crawl space or basement.	1
Security system.	1
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'.	1
Playground.	1
Community room.	1
Other	1

An applicant may submit as few as zero (0) and up to three (3) “other” design features for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible “other” design features before the application due date. Please list the “other” design feature(s) in the application forms.

4) *Universal Design Features* *Maximum Number of Points: 3*
Points will be awarded for each Universal Design Feature chosen, for a maximum of three points in this category.

Universal Design Feature	Point
42"or wider hallways	1
32"or wider doorways	1
Electrical outlets raised 15” to 18” above the finished floor	1
Light switches located 48” above the finished floor	1
Toggle, rocker, or touch sensitive control panels instead of switches	1
Wall reinforcements for hand rails/grab bars	1
Levers instead of door or faucet knobs	1
30”x 40” clear kitchen floor space	1
30" x 40"clear bathroom floor space, clear of door swing	1
A removable base cabinet for required knee space	1
Microwave provided at accessible height	1
A front control operated range	1
Sliding or bi-folding closet doors	1
Front loading washer and dryer with front controls	1
Reinforced ceiling	1
Accessible route that includes no steps or level changes	1
Fold down seat in shower or roll-in shower with no curb	1
Bathtub controls located off-center toward the outside of the tub	1

Adjustable height or hand-held shower with flexible hose	1
Side-by-side refrigerator	1
Remote controlled or motion sensor lighting	1
Adjustable counter top or closet rods	1
Audio and visual smoke detectors	1
Other	1

An applicant may submit as few as zero (0) and up to three (3) "other" universal design features for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible "other" universal design features before the application due date. Please list the "other" universal design feature(s) in the application forms.

5) *Energy Efficiency* *Maximum Number of Points: 3*

Points will be awarded for each Energy Efficiency item chosen, for a maximum of three points in this category.

Energy Efficiency Item	Point
Energy Star® Rated Compact florescent light bulbs - 1/room or 3/unit	1
Energy Star® Rated light fixtures - 1/room or 3/unit	1
Energy Star® Rated Cooling system(s)	1
Energy Star® Rated Heating system(s)	1
Energy Star® Rated Windows	1
Energy Star® Rated Refrigerator	1
Energy Star® Rated Washing Machine	1
Energy Star® Rated Dish Washer	1
R-Value insulation exceeding Indiana State Building Code	1
Other	1

An applicant may submit as few as zero (0) and up to three (3) "other" energy efficiency features for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible "other" energy efficiency features before the application due date. Please list the "other" energy efficiency feature(s) in the application forms.

6) *Green Building* *Maximum Number of Points: 5*

Points will be awarded for EITHER up to three Green Building Techniques chosen.

Green Building Technique	Point
Orient structures on East/West axis for solar exposure	1
Include trees in landscaping to curb winter winds and provide shade	1
Low VOC paints and finish materials	1
Install flow reducers in faucets and showers	1
Incorporate permeable paving	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

Other	1

An applicant may submit as few as zero (0) and up to three (3) "other" green building techniques for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible "other" green building techniques before the application due date. Please list the "other" green building technique(s) in the application forms.

OR

Five points will be awarded for committing the entire development newly constructed or rehabbed to NAHB, LEED, or Energy Star standards. The development need not be certified rather just built to the certification standards. The signed application forms will be proof of this commitment.

8.3 Readiness **Category Maximum Points Possible: 13**

This category describes the applicant's ability to begin and timely execute an awarded project.

1) *Client Intake* *Maximum Number of Points: 5*

Points will be awarded to applicants that have already begun the client intake process, according to the chart below. Client intake means that potential clients have been identified and income verified.

% of Assisted Units	Points
25 - 50% of the units	3
51 - 75% of the units	4
76 - 100% of the units	5

In order to receive points in this category, the applicant must submit:

- *Form F: Client Intake List in Tab K.*

2) *Predevelopment Activities* *Maximum Number of Points: 5*

Points will be awarded to applicants that have completed some predevelopment activities according to the chart below. Up to five activities are eligible, up to five points. Points will only be awarded if the required supporting documentation, italicized below the activity description, are included in Tab P.

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
Site Control *Provide Purchase Option or Purchase Agreement that is no older than 6 months and that has an expiration date after the HOME application due date.*	1
Asbestos or Lead Testing *Submit a copy of the assessment report.*	1

Appraisal *Provide an Appraisal that is no older than 6 months.*	1
Preliminary or Final Architectural and/or Engineering Plans *Provide electronic copies of architectural and/or engineering plans.*	1
Zoning Approval *Provide a letter no older than 6 months from the local planning official that certifies the current zoning allows for construction and operation of the proposed development and any required variances that have been approved.*	1
Cost Estimates *Provide a copy of the detailed cost estimates.*	1
Title Search *Submit evidence of clear title with a title insurance commitment, title search documentation or attorney's opinion letter.*	1
Other	1

An applicant may submit as few as zero (0) and up to five (5) "other" predevelopment activities for points in this scoring category. IHCDA encourages applicants to speak to their Real Estate Production Analyst regarding possible "other" predevelopment activities before the application due date. Please list the "other" predevelopment activities in the application forms.

Examples of "other" predevelopment activities that may be eligible for points in this category are as follows. The examples below are optional, however if you do choose to use them for points in this category, please provide the italicized documentation in Tab P to be eligible for points:

- Water available to site
  - *Provide a letter from the local utility company certifying that water is currently available to the site.*
- Sewer available to site
  - *Provide a letter from the local utility company certifying that water is currently available to the site.*
- Permits in place.
  - *Provide a letter from the local planning or building authority that all necessary permits for rehabilitation or construction have been obtained.*
- Property survey completed.
  - *Provide a copy of the survey.*
- For other predevelopment activities that may be eligible, please contact your Real Estate Production Analyst to discuss prior to submitting the application.

3) *Contractor Participation* *Maximum Number of Points: 3*

Points will be awarded to applicants who invite material participation of a state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and Service Disabled Veteran Owned Small Business (SDVOSB). Examples of material participation include property management, professional services, consultant, application preparer, administrator, etc.

In order to receive points, the applicant must submit in Tab Q:

- *A copy of letter inviting the state certified contractor to participate in the bidding of the project;*
- *A copy of the applicable state certification.*

Minority Business Enterprise and Women Business Enterprise, including DMBE (Disadvantaged Minority Business Enterprise), and (Disadvantaged Woman Business Enterprise) and DMWBE (Disadvantaged Minority Woman Business Enterprise), means as an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more persons who are: (a) United States Citizens and (b) Members of a racial minority group or female in gender as evidenced by certification from the Indiana Department of Administration Minority & Women's Business Enterprise Division or the Indiana Minority Supplier Development Council.

DBEs are for-profit small business owned or controlled by socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. The Indiana Department of Transportation (INDOT) is the sole certifying agency for the Indiana DBE Program.

The Center for Veteran Enterprise maintains the Department of Veterans Affairs (VA) database of service-disabled Veteran owned small businesses (SDVOSB) and Veteran-owned small businesses (VOSB) called the Vendor Information Pages (VIP). The VIP database is accessed via www.VetBiz.gov. CVE performs the verification process for small businesses that self-represent themselves as Veteran owned and controlled called the VA VOSB Verification Program.

Eligible Certification Summary Table		
Certification	**Certifying Agency**	**Website**
MBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
	Indiana Minority Supplier Development Council	http://imsdc.org
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2576.htm
VOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/
SDVOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/

8.4 Capacity **Category Maximum Points Possible: 30**

This category evaluates the applicant's ability to successfully carry out the proposed project based on trainings, certifications and/or experience in housing or community development.

1) *Training* *Maximum Number of Points: 5*

Points will be awarded for a member of the development team, applicant, sub-recipient or administrator staff who has completed a housing or community development related training. Three points will be awarded for the first training and one point per additional training, up to five points possible.

IHCDA application/policy webinars, IHCDA application/policy trainings and/or IHCDA feedback sessions do not count for points in this category.

Attach copies of the training completion certificate or confirmation of attendance/completion in Tab Q.

Training	Points
Housing or community development related training	3 for the first training, 1 point for each additional training up to 5 points total for this section

2) *Certification* *Maximum Number of Points: 5*

Points will be awarded for a member of the development team, applicant, sub-recipient or administrator staff who has completed the following certifications. Three points will be awarded for the Certified Aging-in-Place Specialist or Home Sweet Home: Modifications for Aging in Place (U of I/IHCDA) certification. One point will be awarded for all other certifications, up to five points.

Attach copies of the certification completion in Tab Q.

Certification	Points
Certification from one of the certifications listed below	3 points for the Certified Aging-in-Place Specialist or Home Sweet Home: Modifications for Aging in Place (U of I/IHCDA) certification, 1 points for all other certifications, up to 5 points total for this section

Certification	Sponsoring Organization
Project Development Training	Indiana Association for Community and Economic Development (IACED)
Economic Development Finance Professional Certification Program	Indiana Association for Community and Economic Development (IACED)
Certified Green Professional	Indiana Association for Community and Economic Development (IACED)
Housing Development Finance	National Development Council (NDC)

Professional	
Community and Neighborhood Revitalization Certificate	NeighborWorks America
Bank of America Neighborhood Builder® Leadership Program	The Center for Leadership Innovation
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis / Indiana Housing and Community Development Authority
Grant Administration Certification	Indiana Association for Community and Economic Development (IACED),Office of Community and Rural Affairs (OCRA) or Indiana Housing and Community Development Authority (IHCDA)
Certified Occupancy Specialist (COS)	National Center for Housing Management
Certified HOME Program Specialist	HUD/CPD
Green Certification	LEED, NAHB or equivalent

3) *Experience* *Maximum Number of Points: 5*

Three (3) points will be awarded if the applicant has successful experience administering an IHCDA award in the past five years or if the applicant has five or more years in the housing or community development industry. In order to qualify for points, the awards must be closed out. Please list the award number(s) in the application forms.

Experience	Points
Applicant with experience administering an IHCDA HOME award in the past five (5) years with no findings upon monitoring. **OR** Applicant has five (5) or more years of experience in the housing or community development industry.	3 points

One (1) point will be awarded for each member of the sub-recipient or administrator staff with successful experience in administering an IHCDA award in the past five years or if a member of the sub-recipient or administrator staff has five or more years in the housing or community development industry. In order to qualify for points, the awards must be closed out. Please list the award number(s) in the application forms. Up to two (2) total points possible.

Experience	Points
Sub-recipient or administrator staff member with experience administering an IHCDA HOME award in the past five (5) years with no findings upon	1 point for each sub-recipient or administrator staff member, up to 2 points total

monitoring. **OR** Sub-recipient or administrator staff has five (5) or more years of experience in the housing or community development industry.	

4) *Overall IHCDA Award Performance of the Applicant* *Maximum Number of Points: 10*
Points will be awarded to an applicant where the applicant has not had any monitoring findings for all IHCDA awards in the past three years. This includes any closed and current IHCDA awards. Please list the IHCDA award number(s) in the application forms. Current is defined as an award that is completed and monitored but not yet closed out.

Description of Overall Award Performance	Points
Most recent (closed or current) HOME award had no findings and no concerns. Award must be from within the last three (3) years.	10
Most recent (closed or current) HOME award had no findings, but concerns were noted. Award must be from within the last three (3) years.	8
Most recent (closed or current) HOME award had only one finding. Award must be from within the last three (3) years. **OR** No HOME experience, but previous IHCDA award (different activity) had no findings and no concerns. Award must be from within the last three (3) years.	6
No HOME experience; previous IHCDA award (different activity) had no findings, but concerns were noted. Award must be from within the last three (3) years.	4
No HOME experience; previous IHCDA award (different activity) had only one finding. Award must be from within the last three (3) years.	2
Does not meet any category above. Examples: • More than one finding on previous award. • No award from within the last	0

three (3) years. • No previous experience with IHCDA.	

5) *Timely Expenditure of Funds* *Maximum Number of Points: 5*
Points will be awarded to an applicant that has expended their most recent award funds by the award expiration date without requesting award extensions.

The award must be an IHCDA HOME or an IHCDA CDBG award that is either closed or a current award in the monitoring phase. The award must be from within the past three (3) years. Current is defined as an award that is completed and monitored but not yet closed out. List the award number in the application form.

Award Length	Points
Most recent IHCDA HOME or IHCDA CDBG award completed by the award expiration date. Awards must by from within the last three years. Awards must be closed or a current award in the monitoring phase.	5 points

8.5 Financing **Category Maximum Points Possible: 10**

1) *Public Participation* *Maximum Number of Points: 5*
Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds. A "firm commitment" means that the funding does not require any further approvals. "Public funds" include federal, state, or local government funds. This can include funds awarded from other federal or state agencies, the Federal Home Loan Bank**,** or waivers resulting in quantifiable cost savings that are not required by federal or state law. Banked match is an allowable source of match for the proposed development, however banked match is not allowed as a source to count for points in this scoring category.

Points will be awarded based on the Amount of Public Participation Funding/Total Project Costs:

% of Total Development Cost	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

In order to qualify for points in this category the applicant must submit in Tab J a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

2) *Leveraging of Other Sources* *Maximum Number of Points: 5*
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, (including securing private loans), funds from a local community foundation, donations, etc. Banked match is an allowable source of match for the proposed development, however banked match is not allowed as a source to count for points in this scoring category.

Points will be awarded based on the amount of Other Funding Sources Leveraged/Total Project Costs:

% of Sources	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

In order to qualify for points in this category the applicant must submit in Tab J a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

8.6 Unique Features & Bonus **Category Maximum Points Possible: 10**

1) *Unique Features* *Maximum Number of Points: 5*
Points will be awarded to applicants that offer unique features that contribute to each of the beneficiary units of the proposed project. Unique features should be a creative addition to the proposed program. They should enhance the overall character of the project, improve the homeowners' and the community's quality of life, health, and/or safety. Unique features can be included in the financial structure of the project, involve members of the community, include items specific to the target area/project location or could include special services offered to the population served.

Points are awarded relative to other projects being scored during each application cycle and are awarded in IHCDA's sole and absolute discretion. The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of 5 points.

% of Applications	5%	8%	12%	16%	18%	16%	12%	8%	5%
Points	5	4.5	4	3.5	3	2.5	2	1.5	1

In order to receive points in this category, the applicant must submit in Tab R a narrative summary in of the proposed unique features. Features receiving points in other sections of this application will not be considered for Unique Feature points.

2) *Bonus* *Maximum Points Possible: 5*

The applicant will receive five (5) bonus points for answering all questions and turning in all required supporting threshold and scoring documentation.

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.

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.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: Elderly can have one of two definitions as elected by the applicant:

- A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older. For housing using this definition of elderly, at least 80% of the units must be age restricted; OR

- A person 62 years of age or older. This target population only includes households in which all household members are 62 years of age or older. For housing using this definition of elderly, 100% of the units must be age restricted.

HOME: The Home Investment Partnerships Program as created by the National Affordable Housing Act of 1990.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Large City: For purposes of this policy, a Large City is defined as a city with a population of 75,000 or more. To qualify as being located within a Large City, the 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 project.

Project: The HOME activity proposed in the application.

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 development and (b) notify clients of vacancies at 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).