



**Part 1: Application Process**

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**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 rental housing for low and moderate-income people. Through this program, IHCDAs 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 homes or rental housing among selected applicants having projects that meet the requirements of the program and IHCDAs goals for the program.

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

**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 IHCDAs 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.

**1.4 Technical Assistance**

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





### **1.5 Application Submission**

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](mailto:danmiller@ihcda.in.gov) if the applicant would like to add an additional contact person for communications regarding its application.

### **Application Review**

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

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|--------------------------------|---|
| <u>Step One</u> - Completeness | On or before the application deadline, the applicant must provide all required documents, signatures and attachments.   |
| <u>Step Two</u> - Threshold    | The application must meet each of the applicable threshold criteria. After initial threshold review, IHCDA 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 IHCD's published scoring criteria. After initial score review, IHCD 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 IHCD 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 IHCD 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 IHCD's Consolidated Plan.

#### **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 IHCD CDBG & HOME Program Award Compliance Manual (the "Compliance Manual") outlines the requirements for administering IHCD'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 IHCD'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, IHCD 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, IHCD 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
Rental Housing Rehabilitation	✓	✓	✓	✓	Not eligible
Acquisition and Rental Housing Rehabilitation	✓	✓	✓	✓	Not eligible
Rental Housing New Construction	✓	✓	✓	✓	Not eligible

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of the 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**

Per 24 CFR 92.214 (a)(4) HOME funds may not be invested in public housing projects.

IHCDA reserves the right to disqualify from funding any application that has 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 IHCDAs suspension or debarment list is ineligible to submit an application. IHCDAs Suspension and Debarment Policy can be found in the 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 reasonable 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

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### 3.1 Eligible Activities

This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation and/or new construction of rental housing. Acquisition only is not an eligible activity; however acquisition in conjunction with another activity is permitted.

- Rehabilitation, new construction and acquisition/rehabilitation or acquisition/new construction of rental housing in the form of traditional apartments, single room occupancy units (SROs) or single family housing.
  - SRO housing consists of single room dwelling units that are the primary residence of the occupant(s). If the activity consists of new construction, conversion of non-residential space, or reconstruction, then SRO units must contain both food prep and sanitary facilities). For activities involving acquisition or rehabilitation of an existing residential structure, neither kitchen nor bathroom facilities are required to be in each unit. However, if individual units do not contain bathroom facilities, the building must contain bathroom facilities that are shared by tenants. SRO housing does not include facilities for students.
- If HOME funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence, and the first claim be approved within twelve (12) months of the demolition or acquisition.
- Manufactured homes are eligible if they meet IHCD'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 IHCD.





### **3.2 Ineligible Activities**

The following are ineligible activities under the HOME program:

- Per 24 CFR 92.214 (a)(4) HOME funds may not be invested in public housing projects.
- 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, IHEDA **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 IHEDA's Compliance Manual. The link and the appropriate chapter are included.





- Recipients must comply with all regulatory requirements listed in 24 CFR Part 92.
- Rental housing developments must assist households at or below sixty percent (60%) of the Area Median Income for the County, as published by HUD and distributed by IHCDA. Additionally, those developments with five (5) or more HOME-assisted units must set-aside at least twenty percent (20%) of the units for households at or below fifty percent (50%) of the Area Median Income. Households must also meet the definition of “low-income families” at 24 CFR 92.2 which limits occupancy based on certain student status rules (see 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/lease 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 IHCD 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. (IHCD [Compliance Manual](#), Procurement Procedures Chapter 10)
- Applicants that are proposing to develop rental housing must register vacancies for assisted housing in the IndianaHousingNow.org affordable housing database.
- 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. (IHCD [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 IHCD'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 IHCD [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. (IHCD [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.
- Rental housing with five (5) or more HOME-assisted units must adopt IHCD's Affirmative Marketing Procedures. See the IHCD [Compliance Manual](#) Chapter 5 for guidance on Affirmative Marketing Procedures.
- 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).
- 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.

- Recipient must ensure that each owner of a HOME-assisted rental development enters tenant events into IHCDA’s Indiana Housing Online Management System at <https://ihcdaonline.com/> within thirty (30) days of the tenant’s event date. Tenant events include move-ins, move-outs, recertification, unit transfers, and rent and income changes. In addition, Annual Owner Certification Rental Reports will be required to be submitted electronically using the Indiana Housing Online Management System throughout the affordability period in the Annual Rental Report. See IHCDA’s [Compliance Manual](#) for further guidance.
- Recipient must follow the non-discrimination requirements of the Fair Housing Act, the Violence Against Women Reauthorization Act of 2013, and the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule.

**3.4 Affordability Requirements**

HOME subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The affordability period begins after project has been completed and the completion forms have been submitted to and approved by IHCDA. During the affordability period all HOME program rental requirements apply to the property. See IHCDA’s *Federal Programs Ongoing Rental Compliance Manual* for a full discussion of affordability period compliance.

The following affordability periods apply to all HOME rental housing and homebuyer projects:

Amount of HOME subsidy per unit:	Affordability Period
Under \$15,000	5 years
\$15,000 - \$40,000	10 years
Over \$40,000 - or any rehabilitation/refinance combination activity	15 years
New construction or acquisition of newly constructed transitional, permanent supportive, or rental housing	20 years

**3.5 Recapture Provisions**

Each recipient of a HOME award must ensure that a lien and restrictive covenant is executed and recorded against every property constructed, rehabilitated, or acquired, in whole or in part, with HOME funds. Upon the occurrence of any of the following events during the Affordability Period, the entire sum secured by the lien shall be due and payable by developer and/or owner upon demand. Repayment may be demanded upon: (1) Transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the Affordability Period; (2) Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the Affordability Period; (3) The real estate no longer meets the property standards set forth in 24 CFR 92.251; (4) HOME-assisted units are not being used by qualifying tenants as their principal residence (5) annual tenant events and annual owner certifications are no longer being submitted to IHCDA through its online reporting system as set





forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; (5) non-compliance with the federal income and rent limits issued by HUD; and (6) units are not leased in accordance with the requirements set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual.

The recipient of the HOME award will be responsible for repaying IHCDA any HOME funds utilized for any housing constructed, rehabilitated, or acquired that does not remain affordable and in compliance in accordance with 24 CFR 92.252 for the entire Affordability Period. The Affordability Period is based upon the total amount of HOME funds invested into the unit as defined in the chart above. (IHCDA [Compliance Manual](#), Lien and Restrictive Covenants & Affordability Requirements Chapter 15)





## 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 rental activity.
  - The CHDO **"owns"** the activity when the CHDO holds valid legal title in fee simple or has a long-term (99-year minimum) leasehold interest in a rental property. The CHDO may hire and oversee a project manager or contract with a developer to perform the rehabilitation or new construction.
  - The CHDO **"develops"** the activity when the CHDO is the owner in fee simple or through a long term ground lease during both the development and the affordability period. As developer, the CHDO must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME funds, selecting contractors, overseeing the progress of work, and determining reasonableness of costs.
  - The CHDO **"sponsors"** rental projects through one of two processes:
    - Rental housing is developed by a CHDO affiliate, defined as a CHDO's wholly owned subsidiary (non-profit or for-profit); a limited partnership, of which the CHDO or its wholly owned subsidiary is the sole general partner; or a limited liability company, of which the (the CHDO or its wholly-owned subsidiary must be the sole managing member. If the limited partnership or limited liability company agreement permits the CHDO to be removed as general partner or sole managing member, the agreement must provide that the removal must be for cause and that the CHDO must be replaced with another CHDO.
    - The CHDO develops housing on behalf of another non-profit. The rental housing is transferred by the CHDO to the other nonprofit upon completion. The nonprofit receiving the property upon completion must be identified by the CHDO, not be created by a governmental entity, and assume ownership and all HOME obligations, including any loan repayment. The CHDO must own the property during the development period and be in sole charge of the development process.

### 4.3 CHDO Program Requirements

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

- The CHDO must have a current CHDO Certification issued by IHCDA.
- Treatment of Program Income by a CHDO:  
CHDOs receiving payment back during the affordability period may retain these funds. The funds must be utilized for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, if at any time during the affordability period, the CHDO becomes decertified or no longer has a mission of providing affordable housing then all CHDO proceeds must immediately be remitted to IHCDA. Please contact your Compliance Monitor for further assistance in this area.
- An application for a CHDO eligible undertaking must demonstrate the following:





- Low- and moderate-income persons have had the opportunity to advise the CHDO in its decision regarding the design, site, development, and management of the affordable housing undertaking.
- Certify that the organization continues to meet the definition of a CHDO by being a certified CHDO by IHCDA.
- Complete the CHDO related sections in the HOME 2015 FY Application Forms.
- 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:

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

**4.4 CHDO Operating Supplement**

CHDOs may apply for supplemental funds in the HOME 2015 FY 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 \$750,000 for eligible rental projects.

**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.. 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.

### **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.

**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.
- For multifamily rental housing, costs to rehabilitate an on-site management office, the apartment of a resident manager, or laundry or community facilities that are located within the same building as the housing and are for the use of the tenants and their guests
- 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

**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.

**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.

**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 not eligible 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 NEPA compliance Environmental Review, which is a requirement of the Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the 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 IHCD Compliance Manual or contact Adrienne Schmetzer, IHCD Design and Construction Review Manager.

#### Ineligible Activity Costs

- 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 IHCD.
- 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

Income generated by CHDOs acting as owners, sponsors or developers of HOME units may be retained by the CHDOs but it must be used for housing activities that benefit low-income families as provided in 24 CFR 92.300(a)(2). However, funds recaptured because housing no longer meets affordability requirements is not considered CHDO proceeds and must be returned to IHCD.





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

Additionally, all legal documents, such as mortgages, security agreements, UCC financing statements, and liens executed by the IHCDA recipient 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 : Rental Housing Requirements**

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### **6.1 Eligible Projects**

HOME projects can propose rental activities with this policy and corresponding application forms. Homebuyer activities are eligible using the Homebuyer policy and corresponding application forms.

### **6.2 Eligible Rental Activities**

Eligible activities include new construction, rehabilitation only or acquisition/rehabilitation. Acquisition is allowed only in conjunction with the rehabilitation activity and is ineligible as a stand-alone activity. Permanent rental housing units may not be used for temporary or emergency housing at any time. Eligible rental activities also include the rehabilitation or acquisition/rehabilitation of assisted-living facilities as long as they meet IHCDA's definition and are also eligible for the Preservation of Affordable Housing Round by being an existing federally assisted affordable rental housing development as defined in the bullet points above. IHCDA defines an assisted living facility as living arrangements in which some optional services are available to residents (meals, laundry, medication reminders), but residents still live independently within the assisted-living complex. Residents of such facilities pay a regular monthly rent, and then pay additional fees for the services that they desire.

### **6.3 Rent Restrictions**

HOME-assisted rental units will be rent-restricted throughout the affordability period to ensure that the units are affordable to low- and moderate-income households. Please refer to the most recent HOME rent limits, which may be found on IHCDA's website under RED Notices. The following restrictions apply:

- Published rent limits include the cost of any tenant-paid utilities. You must subtract from the published rent limit an IHCDA or HUD approved utility allowance for all utilities that the tenant will be responsible for. For example, if the rent limit in a given county is \$300.00. The utility allowance for gas heat is \$28.00, for other electric is \$20.00, and for water is \$13.00. For a unit where the tenant will pay for gas heat, other electric, and water, the maximum allowable rent would be \$239.00 ( $\$300.00 - \$28.00 - \$20.00 - \$13.00 = \$239.00$ ).
- All units must be leased for initial occupancy within 18 months.
- If a SRO-unit has both food preparation and sanitary facilities, then use the HOME zero (0) bedroom (efficiency) unit rent or thirty percent (30%) of the household's adjusted income, whichever is most restrictive.
- If a SRO-unit has neither food preparation nor sanitary facilities, or only one of either, then the rent may not exceed seventy-five percent (75%) of the Fair Market Rent (FMR) for a zero (0) bedroom unit. For example, if the FMR for a zero (0) bedroom unit in a given county is \$300.000, then the forty-percent (40%) rent limit in that county for a SRO unit that only has a bathroom and not a kitchen would be \$225.00 ( $\$300 \times .75 = \$225$ ).
- Gross rent must be at or below the published rent limit. Gross rent = tenant-paid rent + tenant-based rental assistance + utility allowance + non-optional charges.
- If the applicant proposes to receive all or a portion of the rent payment via a tenant-based voucher (rental subsidy), the gross rent (including the rental assistance amount) cannot exceed the published rent limits for the applicable income level. For example, a tenant residing in a unit set-aside for households at or below forty percent (40%) of the area median income has a voucher that pays \$100.00 of his/her rent, and the published utility allowance for tenant paid



utilities for the unit is \$50.00. If the published forty percent (40%) Rent Limit is \$300.00, the tenant paid portion of rent cannot exceed \$150.00 (\$300.00 Rent Limit - \$100.00 Section 8 Voucher - \$50.00 Utility Allowance = \$150.00 Maximum Tenant Paid Portion).

- If the development receives a federal or state project-based rent subsidy and the unit is designated as 50% or below and the household is at or below fifty percent (50%) AMI and the household pays no more than thirty percent (30%) of his/her adjusted income for rent, then the maximum rent may be the rent allowable under the project-based rental subsidy program as set forth in 24 CFR 92.252(b)(2).
- If the development charges non-optional fees for food or the costs of supportive services, then these costs must be included in the gross rent calculation
- All tenants who occupy HOME-assisted rental housing units must be income recertified on an annual basis. The Section 8 definition of household income applies.

**6.4 Affordability Periods and Resale/Recapture Requirements**

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

The recipient is subject to recapture provisions through a recorded lien and restrictive covenant agreement as described in Parts 3.5 of this document.

**6.5 Underwriting Guidelines for Rental Projects**

The following underwriting guidelines must be followed for any rental developments. The numbers submitted should reflect the nature and true cost of the proposed activity. IHCDA will consider any underwriting outside of these guidelines if supporting documentation is provided.

**TOTAL OPERATING EXPENSES** – All developments must be able to underwrite with a minimum operating expense of \$2,500 per unit per year (net of taxes and reserves).

**MANAGEMENT FEE** – The maximum management fee allowed is described in the table below based on the number units within the project. The percentage is based on the “effective gross income” (gross income for all units less vacancy rate).

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

**VACANCY RATE** – All developments must be able to underwrite with a vacancy rate between six percent (6%) and eight percent (8%).

**RENTAL INCOME GROWTH** – All developments must be able to underwrite with a rental income growth between zero percent (0%) and two percent (2%) per year.

**OPERATING RESERVES** – All developments must be able to underwrite with operating reserves for four (4) to six (6) months (operating expenses plus debt service) or at \$1,500 per unit based on whichever is greater.



**RENT-UP RESERVE** – HOME funds may be used to fund a rent-up reserve for new construction and rehabilitation rental housing developments. This reserve can be used to meet shortfalls in development income during the rent-up period and may only be drawn down after all construction is completed at the development. The following terms apply:

- The term of the rent-up reserve account may not exceed six (6) months after all construction is completed, after which time any unused reserves left in the account will be de-obligated by IHCDA.
- These funds can be used only for development operating expenses, scheduled payments to replacement reserves, and/or debt service payments.
- The recipient must receive IHCDA’s approval prior to accessing its rent-up reserve funding.
- The amount of HOME funds that can be utilized for a rent-up reserve is limited to three (3) months development operating expenses plus three (3) months of development debt service.

**REPLACEMENT RESERVES** – All developments are required to have replacement reserves and must be included in the operating budget, but is not included as part of the operating reserves. Contributions must be made to the reserve account starting at or before the conversion date of the construction loan to permanent loan and must be funded for the term of the loan. Replacement Reserve funds must only be used for Capital Improvements (substantial improvements to the real estate such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings, but not including replacement of individual appliances or minor repairs) and must **not** be used for general maintenance expenses. Less restrictive provisions required by lenders must be approved by IHCDA. Replacement Reserves must escalate at a rate of 3% per year. IHCDA will at its discretion, adjust the Replacement Reserve to reflect reasonable and customary capital and replacement expenditures. The following minimum contributions must be used.

Development Type	Minimum Contribution per unit per year
Rehabilitation*	\$350
New Construction	\$250

\* For Rehabilitation developments, the Capital Needs Assessment will be reviewed in determining whether sufficient reserves have been established.

**OPERATING EXPENSE GROWTH** – All developments must be able to underwrite with operating expense growth between one percent (1%) and three percent (3%) per year. IHCDA requires operating expense growth to be at least one percent (1%) higher than rental income growth.

**STABILIZED DEBT COVERAGE RATIO** – All developments must be able to underwrite with a stabilized debt coverage ratio with the following standards. Stabilization usually occurs in year 2, however the debt coverage ratio projection for a development should not go below 1.1 during the complete 15 year compliance period to be considered financially feasible. IHCDA does recognize that rural deals will typically have higher debt coverage at the beginning of the compliance period in order to remain feasible over the fifteen years. Documentation to support these higher debt coverage ratios must be provided. Developments without hard debt are allowed but will be subject to additional scrutiny from IHCDA. Developments submitted with no debt will not have a debt coverage ratio but will be required to have a cash flow without having an undue profit. This will be determined by a ratio of Effective Gross



Income to Total Annual Expenses (including reserve for replacement). A ratio of 1.15 shall be the minimum required to be considered feasible by IHCDA in Years 1-15. Tax abatement may cause the debt coverage ratio to be higher than these guidelines.

Development Location	Minimum Contribution per unit per year
Large and Small City	1.15 – 1.40
Rural	1.15 – 1.50

The following documentation is required for Stabilized Debt Coverage Ratio:

- Documentation of estimated property taxes and insurance for the proposed Development (i.e. a statement of how the applicant determined the estimated taxes and insurance for the Development); AND
- If the underwriting is outside these guidelines, the applicant must provide a written detailed explanation with third party documentation supporting the explanation (approval of underwriting from other financing institutions/funding sources will not constitute acceptable supporting documentation).



## **Part 7 : Completeness & Threshold Criteria**

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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 Rental Supplemental Round form .

- 1) Feasibility
  - Turn in the 2016 HOME Rental Supplemental Round 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](#) or at the below link: <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 2015 HOME application. Attach any relevant support material such as planning documents and maps in Tab I.
  - Sources and Uses – Complete the following:
    - i) Rental Proforma tab in the 2016 IHCDA HOME Supplemental Rental Application Forms



- 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 CHDO tab 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 IHCD. 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 sixty percent (60%) of the Area Median Income for the County. Answer question 12 in the Application Summary Tab in the Application Forms.
  - Developments with five (5) or more HOME-assisted units must set-aside at least twenty percent (20%) of the units for area median income levels of fifty percent (50%) and below. 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 IHCD 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**

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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	8
Capacity	30
Financing	10
Unique Features & Bonus	10
<b>Total Possible Points</b>	<b>121</b>

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*  
 If the development commits to serving beneficiaries in IHCDA-assisted units with maximum incomes lower than required by the HOME program and maintains housing costs at affordable rates, points will be awarded in accordance with the following chart. Percentages are of the area median income (AMI) for the county in which the development is to be located. Awarded recipients will be held to the unit commitment in their award agreement. Changes to the AMI levels will require prior IHCDA approval.

Constituency Served	Points
20% of Population served at or below 40% AMI	8

- 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
OPTION 1: At least 80% of Population served 55 and Older or 100% of Population served 62 and Older; <b>OR</b>	5
OPTION 2: At least 20% of units are set-aside for households in which at least one member is a person with a disability using the Fair Housing definition of disabled (see glossary). Applicants electing this targeting option must enter into a referral agreement with a qualified organization that provides services for the target population. See part 4.1(F) of the <i>Federal Programs Ongoing Rental Compliance Manual</i> for more information on referral agreements.  <i>Submit Referral Agreement Form in Tab K. A boilerplate Referral Agreement can be found in the Appendices at the end of this application package.</i>	5

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, and for rental projects, elevators or lifts must be installed for access to all units above the ground floor.  
*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 or 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 26 units or more total units, a capital needs assessment (CNA) 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
<b>Role of Housing *</b>	<ul style="list-style-type: none"> <li>Plan makes reference to Housing as a goal</li> </ul>	<ul style="list-style-type: none"> <li>Plan makes reference to Housing as a goal</li> <li>Plan Specifically makes reference to the creation or need for affordable housing or IHCDA HOME Program</li> </ul>	<ul style="list-style-type: none"> <li>Plan makes reference to Housing as a goal</li> <li>Plan Specifically makes reference to the creation or need for affordable housing or IHCDA HOME Program</li> <li>Plan provides evidence of how project is part of a larger revitalization effort</li> </ul>	<p>Page numbers of the plan making reference to:</p> <ul style="list-style-type: none"> <li>Role of Housing</li> <li>Reference to the creation or need for affordable housing or IHCDA HOME program</li> <li>Part of a larger revitalization effort</li> <li>Narrative about efforts leading to the creation of the plan</li> </ul>
<b>Implementation Date *</b>	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	<p>Submit electronic copy of entire completed plan with date of creation or adoption</p> <ul style="list-style-type: none"> <li>Include page number of date of plan and/or adoption documentation</li> </ul>
<b>Target Area</b>	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	<p>Map of targeted area</p> <ul style="list-style-type: none"> <li>Please identify project site location</li> </ul>



			plan	
<b>Plan Components</b>	<p>Plan includes only one of the below components:</p> <ul style="list-style-type: none"> <li>• Implementation measures along with specific, current, and ongoing time frames for achievement</li> <li>• An evaluation of current area conditions</li> <li>• Public/community participation and narrative about efforts leading to the creation of the plan</li> </ul>	<p>Plan includes two of the below components:</p> <ul style="list-style-type: none"> <li>• Implementation measures along with specific, current, and ongoing time frames for achievement</li> <li>• An evaluation of current area conditions</li> <li>• Public/community participation and narrative about efforts leading to the creation of the plan</li> </ul>	<p>Plan includes all of the below components:</p> <ul style="list-style-type: none"> <li>• Implementation measures along with specific, current, and ongoing time frames for achievement</li> <li>• An evaluation of current area conditions</li> <li>• Public/community participation and narrative about efforts leading to the creation of the plan</li> </ul>	<p>Page numbers of the plan making reference to:</p> <ul style="list-style-type: none"> <li>• Implementation measures</li> <li>• Current area conditions</li> <li>• Public participation</li> <li>• Narrative about efforts leading to the creation of the plan</li> </ul>
<b>Adoption of the Plan</b>	<p>Plan has been adopted by the highest Local Unit of Government</p>			<p>Documentation of formal approval of plan as active by Local Unit of Government (example: city/town council resolution, signed minutes)</p>

\*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 not 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 Rental Projects:

- **ONE** Form C: One Tenant Investment Plan Matrix listing all services for the entire proposed project (found in the HOME Application Appendices);
- Form D: Tenant 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; <b>OR</b>	2
Acquiring and/or rehabbing at least 50% of existing housing stock; <b>OR</b>	2



Project is demolishing at least 50% of existing substandard units and replacing with a new units.	2
<b>Total Possible</b>	<b>2</b>
Development contains at least one unit that is a historic resource to the existing neighborhood.	2
<b>Total Possible for Existing Structures</b>	<b>4</b>

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 or report from the National Park Service, or Department of Natural Resources Division of Historic Preservation and Archaeology that specifically identifies the site as an historic resource or contributing to a district, or an equivalent local historical society report identifying the property as either an historical resource or a contributing 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: 8**

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

- 1) *Predevelopment Activities* *Maximum Number of Points: 5*  
Points will be awarded to applicants that have completed some predevelopment activities according to the chart below. 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 <i>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.</i>	1



Asbestos or Lead Testing <i>Submit a copy of the assessment report.</i>	1
Appraisal <i>Provide an Appraisal that is no older than 6 months.</i>	1
Preliminary or Final Architectural and/or Engineering Plans <i>Provide electronic copies of architectural and/or engineering plans.</i>	1
Zoning Approval <i>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.</i>	1
Cost Estimates <i>Provide a copy of the detailed cost estimates.</i>	1
Title Search <i>Submit evidence of clear title with a title insurance commitment, title search documentation or attorney's opinion letter.</i>	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. IHCD A 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.

2) **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](http://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	<a href="http://www.in.gov/idoa/2352.htm">http://www.in.gov/idoa/2352.htm</a>
	Indiana Minority Supplier Development Council	<a href="http://imsdc.org">http://imsdc.org</a>
WBE	Indiana Department of Administration	<a href="http://www.in.gov/idoa/2352.htm">http://www.in.gov/idoa/2352.htm</a>
DBE	Indiana Department of Transportation	<a href="http://www.in.gov/indot/2576.htm">http://www.in.gov/indot/2576.htm</a>
VOSB	U.S. Department of Veterans Affairs	<a href="http://www.va.gov/osdbu/">http://www.va.gov/osdbu/</a>
SDVOSB	U.S. Department of Veterans Affairs	<a href="http://www.va.gov/osdbu/">http://www.va.gov/osdbu/</a>

**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 Professional	National Development Council (NDC)
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), 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. <p style="text-align: center;"><b>OR</b></p> 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 monitoring. <p style="text-align: center;"><b>OR</b></p> Sub-recipient or administrator staff has five (5) or more years of experience in	1 point for each sub-recipient or administrator staff member, up to 2 points total



the housing or community development industry.	
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- 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.  <b>OR</b> 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: <ul style="list-style-type: none"> <li>• More than one finding on previous award.</li> <li>• No award from within the last three (3) years.</li> <li>• No previous experience with IHCDA.</li> </ul>	0



- 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 be 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.



## **G l o s s a r y   o f   T e r m s**

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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.

*Rent Limits:* The HUD published maximum rent amount, including a utility allowance and any non-optional fees. Rent limits are published by bedroom size and by AMI level.

*Rural:* A 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).