

2018/2019 QAP- 1st Draft

Summary of Changes

This is a non-exhaustive list of the primary changes made from the first draft to the second draft of the 2018/2019 QAP. Minor clarifications and changes in wording are not reflected in the summary below. Please note that IHCD did not focus on formatting in this draft. Formatting will occur in the final draft.

Set-asides

- Community Integration: clarified intellectual OR development disability (not and)
- Community Integration: clarified the 30% restriction applies to rent limits, not necessarily to income limits
- Workforce Housing: expanded list from 5 counties to 9 (approximately 10% of counties in the state). Added the following counties: Daviess, Hancock, Warrick, and Whitley.
- Preservation: changed “majority of the units” to “at least 50% of the units” to be consistent with language used in other parts of the QAP
- Housing First: added clarification that teams that participated in an Institute for a non-RHTC development cannot come in under the Housing First set-aside

Threshold

- Additional Threshold- clarified that the six month documentation requirement does not apply to site control documents
- Additional Threshold (d)- changed “audited financial statements” to “audited or CPA reviewed financial statements”
- Additional Threshold (g)- changed “licensed surveyor” to “licensed surveyor or civil engineer”
- Additional Threshold (g)- changed language on timing of Environmental Phase I
- Added new item stating that affordable assisted living developments must comply with the Indiana Division of Aging’s “aging rule” requirements for home and community based services

Scoring

- Minimum threshold score set at 100
- Tie breakers: changed the order of the tie breakers.
- Development Amenities: added options for bike storage lockers, charging outlets with USB ports, theater rooms, ceiling light in each bedroom, and coat or linen closet
- Historic in Nature: added another option to qualify for historic points
- Local Redevelopment Plan: added 1 point bonus for projects in a QCT that meet all other requirements (including local adoption) of the local redevelopment plan category. This was added to comply with guidance from the IRS released as IRS Notice 2016-77.
- Offsite Improvement: added two year look-back period. QAP now states that the improvement “must be completed prior to the proposed placed in service date for the project but no more than two years before the application submission date.”

- Building Certification: clarified that for projects with multiple buildings, all buildings must meet an eligible certification to receive points.
- Desirable Sites: clarified that for scattered site projects, points will be calculated by taking the average by unit
- Location Efficient: changed grocery store walking distance requirement
- Transit Oriented Development: cleaned up language on rural point to point transit
- Opportunity index: removed placeholder for graduation rate data. Possible points decreases from 7 to 6.
- Opportunity Index: clarified that the negative point for developments located within a HUD defined R/ECAP will not result in a total negative score under opportunity index. The lowest score possible under this scoring category is 0, not -1.
- Leveraging Capital Resources: clarified that the resources counted towards leveraging cannot be other IHEDA resources
- Leveraging Capital Resources: added tax abatement back in as an eligible resource
- Leveraging Capital Resources: clarified that the amount of savings for below market interest rate loans will be based on the difference between the actual interest rate and the applicable federal rate
- Leveraging Capital Resources: changed scoring chart so that points increase by ½ point increments instead of 1 point increments
- Non-IHEDA Rental Assistance: added language that the rental assistance may be subject to annual renewals
- Previous 9% Tax Credit Funding within a Local Government: Expanded chart to increase by 25 units instead of 50 units, at 0.25 point increments instead of 0.5 point increments. Fixed label on chart to remove reference to bond units.
- Previous 9% Tax Credit Funding within a Local Government: clarified that for projects in multiple cities/towns, points will be calculated by taking the average by unit
- Census Tract w/o Active Tax Credit Developments: clarified that for projects in multiple cities/towns, points will be calculated by taking the average by unit
- Housing Needs Index: redefined the measure for population growth. Identified 15 counties that have experienced positive growth from migration from 2010-2016 and from 2015-2016.
- Housing Needs Index: redefined the rent burden category. 1 point awarded to any county in which 50% or more of renter households are rent burdened, based on HUD's CHAS data.
- Housing Needs Index: redefined the measure for county with lack of availability of units for extremely low-income household. Instead of taking the lowest quartile, now any county with less than 50 units available per 100 ELI households will receive 1 point.
- Lease Purchase: changed "50% or more" to "at least 50% of the units"
- MBE/WBE: added back in management company as a separate point from owner/developer and as a result total possible points in this category increased from 3 to 4.
- Unique Features: Reduced from 7 points to 6 points
- Smoke-free housing: changed distance of designated smoking area from 15 feet from building to 25 to match best practice recommended by American Lung Association and the policy implemented by HUD for all public housing. 25 feet is the established industry standard for smoke-free housing.

Schedule D- Bonds

- Added language that IHEDA will not accept requests for tax-exempt bonds for a development without an accompanying request for 4% rental housing tax credits
- Changed language about reservation fees to be due within 30 days, not 15. This matches the requirement for 9% deals.
- Removed language that a development cannot apply for both 9% and 4% credits. This was already changed in the body of the QAP in the first draft.

Schedule E- HOME

- HOME is available as gap financing only for 9% deals, not 4%/bond deals
- Clarified language re: SAM registration
- Increased HOME per unit subsidy limits
- Changed maximum loan term to 2 year construction and 15 year permanent
- Added requirement that an applicant is not eligible to request more HOME funds if any outstanding HOME award contracts were executed over one year ago and at least 25% of the funds have not been drawn (matches language in HOME policy)
- Clarified language re: CHDO predevelopment loans
- Added requirement that an applicant must meet benchmarks on open HOME awards to be eligible to request additional HOME funds (matches language in HOME policy)
- Clarified language re: cost allocation
- Clarified that applications requesting HOME must include the HOME match spreadsheet
- Clarified language re: banked match
- Clarified language re: environmental review
- Updated language re: CHDO Requirements

Schedule J- Development Fund

- Added threshold requirements related to not being in default with other lenders
- Updated modification fee to \$1000 to match updated language in the QAP