

## 2018/2019 QAP- 1<sup>st</sup> Draft

### Summary of Changes

This is a non-exhaustive list of the primary changes made from the 2016/2017 QAP to the first draft of the 2018/2019 QAP. Minor clarifications, changes in wording and changes in point values 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.

#### Introduction

- Revised language re: Goals of the Authority
- Part D: Cut note that a development cannot receive both 4% and 9% credits as this combination model has worked in other states and could be explored in Indiana.

#### Set-asides

- Removed Elderly set-aside and replaced with new Community Integration set-aside for integrated housing for persons with intellectual and developmental disabilities
- Reduced Preservation set-aside from 15% to 10%
- Reduced Qualified Not for Profit set-aside from 15% to 10%
- Added new Workforce Housing set-aside (10%)
- Qualified Not for Profit- clarified language that projects that compete under the set-aside but are funded under a different set-aside are still subject to non-profit material participation rules and will be marked as such on the Form 8609
- Development Location set-asides- clarified that an application can only compete in 1 of the 3 set-asides
- Preservation- added requirement that a majority of units must qualify as preservation for an application to be eligible to compete in the set-aside
- Housing First- cleaned up language re: housing first principles and requirements

#### Threshold

- Development Feasibility (a): Commercial space pro formas are only required if commercial space is part of the tax credit ownership
- Local Jurisdiction and IHCD Notification (b): removed LUG notification, but still require 30 day notice to IHCD to allow time for IHCD staff to conduct CNAs and site visits
- Market Study (d): Removed requirement to be submitted on separate CD-ROM
- Additional threshold (b): added new language that applicant must be issued an 8609 in Indiana before submitting a third application and this will not be waived
- Additional threshold (d): clarified what financial documents are needed
- Additional threshold (e)(2) Site Control: clarified required documentation when acquiring from a LUG
- Additional threshold (e)(3) Development Site Information: removed minimum scale
- Additional threshold (f) Evidence of Compliance: clarified that any entity that is currently suspended, debarred, or in default is not eligible to apply

- Additional threshold (g) Environmental Site Assessment: changed qualified civil engineer to licensed surveyor and cut requirement for submitting resume
- Additional threshold (g) Environmental Site Assessment: changed to allow to be dated within 12 months of application submission instead of 6
- Additional threshold (h) Accessibility: removed reference to required affidavit
- Additional threshold (n) Rehabilitation: clarified must be an “independent, Indiana licensed” qualified professional performing the CNA or structural condition report. This matches the existing requirements on Schedule F.
- Additional threshold (o)- clarified that if relocation will occur, must include relocation costs in development budget in Form A
- Additional threshold (q)(6) Underwriting- broke out new construction replacement reserves into two categories using \$250 if age-restricted NC, \$300 if not age-restricted
- Additional threshold (q)(6) Underwriting- clarified how to calculate replacement reserves if project contains multiple construction types
- Additional threshold (q)(7) Underwriting- added new requirement for supportive housing developments to establish a service reserve
- Additional threshold (q)(12) Underwriting- allowing all applications to request up to 130% Basis Boost
- Additional threshold (r) Supportive Housing- updated language re: CSH letter
- User Limitations (3)(a) Development Limitations- added language that for bond deals the applicant can request a waiver to exceed the \$1.2M credit cap if the development has sufficient basis
- User Limitations (3)(b) Developer Fee Limitations- changed developer fee for bond deals to 15% of eligible basis and amounts over \$2.5M must be deferred
- Minimum Development Standards- insulation and air barrier requirements do not apply for buildings receiving historic tax credits
- Minimum Development Standards (d)- moved Unit Size into threshold from scoring and changed 1 BR adaptive reuse to align with 1 BR rehab standard (all other adaptive reuse and rehab sizes already matched)
- Minimum Development Standards (f) - moved Smart Use training into threshold from scoring
- Minimum Development Standards (4)(e) Visitability Mandate- no longer applicable to rehab
- Application Disqualification for 5 or more TCs- clarified only applies to 9% applications
- Performance Violation Negative Points- removed category

### **Scoring**

- Rents Charged- simplified chart, reworked scoring, removed 40% AMI units
- Rent Charged- developments competing in the Workforce Housing set-aside will automatically qualify for the maximum points if all units are rent restricted at 60% rent limits
- Rents Charged- clarified that developments competing in the Community Integration set-aside must designate the 30% rent restricted units for occupancy by the target population
- Universal design- increased number of features required to maximize points (did not change number required for threshold)

- Unit size- moved from scoring to threshold
- Accessible or Adaptable Units- clarified accessible or adaptable in all areas
- Development Amenities- reorganized chart to read more easily
- Accessible or Adaptable Units- clarified definitions of “accessible” and “adaptable” and that the calculation counts units that meet either definition
- Vacant structure- clarified must be vacant at time of application; eliminated disaster bonus here (but moved disaster points into Promotes Neighborhood Stabilization as one option to score in that category)
- Adaptive Reuse- cut category
- Infill NC- changed to not agricultural zoning within last 5 years (previously 10)
- Infill NC- eliminated disaster bonus here (but moved disaster points into Promotes Neighborhood Stabilization as one option to score in that category)
- Brownfield- cut category
- Promotes Neighborhood Stabilization- added disaster points here (cut from infill and vacant structure scoring categories) as a new way of scoring under this category
- Promotes Neighborhood Stabilization- cut blight definition and option for points
- Promotes Neighborhood Stabilization- removed requirement that greyfield redevelopment must be comprised of 25% parking areas and clarified required documentation for claiming greyfield
- Local Redevelopment Plan- clarified only 1 plan can be submitted per community
- Local Redevelopment Plan- removed word “affordable,” plan can call out any rental housing development to qualify
- Local Redevelopment Plan- clarified if development contains units in multiple jurisdictions, will take an average by number of units
- Federally Assisted Revitalization- removed references to outdated programs (HOPE VI, HUD SCRP) and clarified required documentation
- Offsite Improvements- changed language so cannot be previously completed improvements
- Offsite improvements- conditional commitment of funds must include a description of the improvements
- TC per unit/per bedroom- clarified chart to show that some applications will get 0 points
- TC per unit/per bedroom- clarified that for projects with more than one construction type, if the number of units between the two types is equal then calculation will be based on the type that contains the most square footage
- Smart Use Training- moved to threshold
- Building Certification- removed certifications higher than silver
- Energy Efficiency Air Sealing- removed category
- Energy Efficiency High Insulation- removed category
- Water Conservation- removed scoring for rainwater catchment systems
- Location Efficient Projects- changed so that same rules apply to urban and rural, no distinction
- Location Efficient Projects- farmer’s markets no longer qualify for fresh produce or as retail
- Transit Oriented Development- changed “10 minute walk shed” to “1/2 mile”
- Transit Oriented Development- removed Walk Score
- Opportunity Index- changed categories
- Undesirable sites- cleaned up language

- Financing (a)- renamed to “Leveraging Capital Resources” and clarified this is specific to capital funding sources. For below market interest rate loans, the value is calculated on cost savings based on yield foregone.
- Financing (a)- increased % required to maximize points
- Financing (b)- added new scoring category for Non-IHCDA Rental Assistance
- Previous Funding- removed bond/4% units from count so now only counting 9% units
- Census Tract w/o Active RHTC Development- made assisted living and supportive housing separate categories
- Census Tract w/o Active RHTC Development- redefined “active” to not include post-Year 15 developments in extended use
- Housing Need Index- created new scoring category to address need for affordable housing
- Lease Purchase- added language that age-restricted or supportive housing developments are not eligible for points in this category
- Lease Purchase- more than 50% of the units must be lease purchase in order to get any points
- Lease purchase- 50% of lease purchase units in the development must be 3 bedrooms or larger is now a requirement to receive any points in the category. 1 bonus point is awarded if 75% of the lease purchase units meet this size requirement.
- Certified Tax Credit Compliance Specialist- must be the primary contact identified in the Development Contact page
- Certified Tax Credit Compliance Specialist- for a non-profit, the “owner” contact is defined as the Executive Director or President of the non-profit
- Certified Tax Credit Compliance Specialist- certification must be current to count for points
- LUG Notification- removed category
- Unique features- fixed percentages to add up to 100%
- Tenant Investment Plan- put chart into the QAP identifying services in each level
- Tenant Investment Plan- rewrote the category so that the applicant now will commit to a level of services upfront and then provide evidence of specific services at time of 8609. This means that MOUs will not be submitted in the initial application.
- Integrated Supportive Housing- added new way of getting partial points for teams that previously completed the Institute but did not complete the Institute for the particular development for which they are applying
- Integrated Supportive Housing- updated language re: CSH letter
- Smoke-Free Housing- added new scoring category
- Community Participation- clarified required documentation includes IRS letter for 501(c)(3) status and Articles of Incorporation
- Community Participation- clarified who is defined as the owner or applicant
- Technical Correction Period- \$300 TC fee (increase from \$150)
- Technical Correction Period- added chart and changed point structure for 0-1 corrections gets 4 points, 2 corrections gets 2 points

### Misc

- Changed application timelines for 2019 round as follows: applications submitted in July and awarded at November board meeting

- Changed application fee from \$2000 to \$3000, with an additional \$500 per additional jurisdiction for scattered sites
- Changed supplemental application fee from \$500 to \$750
- Changed conditional commitment reservation fee from 6.5% to the greater of 6.5% or \$15,000
- Changed modification and extension fees from \$500 to \$1000
- Changed fee to amend a carryover or 8609 from \$1000 to \$1500 to match other fees for amendments to legal documents
- Semi-Annual Progress Reports- added penalty fee of \$10 per day for late reports
- Modifications- added language that failure to maintain score from initial application to final application may result in penalties including fines and/or suspension
- Additional IHEDA Resources after Credit Allocation- clarified that the penalty applies for any requests, even if not due specifically to cost overruns