Schedule D, Section 1

A. Private Activity Tax-Exempt Bond Financing (“Bonds”) Requirements

1. Developments that do not receive a direct allocation from the Authority because such Developments qualify for the RHTC pursuant to the Code (by virtue of being 50% or more financed with tax-exempt obligations issued after December 31, 1989) must satisfy and comply with all requirements for an allocation under this Allocation Plan and the Code. All applicants will be required to meet the threshold and scoring criteria of the Allocation Plan including but not limited to the following:

    a. Applicant must submit the Multi-Family Housing Finance Application on the application date(s) stated in the Allocation Plan.

    b. Minimum scoring threshold for Bond Developments is 90 points.

    c. Developments will be limited to a maximum of $20,000,000 in bonds. Applicants will be limited to a maximum of $40,000,000 in bonds in a calendar year. If the Authority determines that in its sole and absolute discretion it is in the interest of the State to allocate additional bond volume to such person, entity, or Development, then the Authority, with approval from the Indiana Finance Authority (IFA), may waive such limitation.

    d. Applicants proposing rehabilitation, the rehabilitation hard costs must be in excess of $15,000 per unit.

    e. The Development’s acquisition cost is only eligible for a 5% Developer Fee.

    f. Applicants who are awarded bonds must file a Notice of Issuance within 150 days from the date the application is approved by the Indiana Finance Authority (IFA).

    g. There will be an Application Fee, payable by the developer. Due on or before the application deadline date to the Authority.

    h. The Local Unit of Government is expected to be the Bond Issuer.

    i. Local Units of Government must pass a resolution prior to application submittal stating they will support and issue the Bonds. The Inducement Resolution must be submitted with the Application package. Place in Tab B.

    j. Applicants proposing an Acquisition/Rehabilitation development must submit an Attorney’s Opinion showing all buildings satisfy the 10-year general look-back rule of IRC Section 42(d)(2)(B) or that the buildings qualify for the acquisition credit based on an exception to this general rule [e.g. Section 42(d)(2)(D)(ii) or Section 42(d)(6)]. Place in Tab B.

k. If the Development receives a reservation of RHTC's from the Authority, then, within fifteen (15) business days after the date of the Determination Letter, the Applicant must pay a reservation fee to the Authority. This fee is payable in addition to the Application fee and equals six and half percent (6.5%) of the annual anticipated amount of RHTCs for the Development.

l. The Authority must approve all tax-exempt bond applications and any changes in ownership in accordance with Schedule B of this Allocation Plan.

m. Escrow closings will not be permitted under any circumstance.

n. Any Development found to be in violation of the Allocation Plan will be subject to a reduction or rescission in funding, and all Development Team members may be subject to debarment from participating in all Authority financing programs for up to five (5) years.

2. The Indiana Housing and Community Development Authority's primary criteria for evaluating tax-exempt multifamily bond financed developments will include: 1) state and local market conditions related to housing; 2) the physical features of the development; 3) financing structure of the deal; and 4) development, financial and management team qualifications. The Authority will award bonds in its sole discretion based on the above criteria.

   a. The Authority reserves the right to NOT award bonds to a proposed development for any reason.

   b. The Authority strongly encourages applicants to consider the amount of time and various parties required to complete a bond transaction.

   c. A Development that has applied for and/or received an allocation of tax-exempt bonds from the Authority will not be eligible for an allocation of nine (9%) percent RHTC's for said Development.