



Indiana

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

Indiana's 2011 QAP has a 20% preservation set-aside for developments which involve the substantial rehabilitation of an existing structure (affordable, market rate or otherwise) and/or a development otherwise in danger of being lost as affordable and/or the demolition and decentralization of housing units utilizing the same site (over 50% of the units must be replaced). The Authority may increase the eligible basis up to 30% for developments whose buildings are placed in service after July 30, 2008 if the eligible basis otherwise would be a low percentage of the total development costs due to competing under the preservation set-aside.

This includes developments being removed from the affordable housing stock by a federal agency (i.e. HUD, Rural Development), rental housing RHTC developments with compliance periods that have expired or are expiring in the current year, developments which entail demolition and decentralization of apartments with replacement of apartments on the same site as described above, and the re-use of an existing structure for conversion into affordable housing where a minimum of 75% of the development is converted to affordable housing and/or its common areas. Rehabilitation hard costs must be in excess of \$30,000 per apartment to be considered in this category (\$20,000 for all other set-aside categories).

Indiana also provides up to 8 points for preservation of existing affordable housing including: 8 points for the preservation of an affordable property with rental housing tax credits that expire in the current year or earlier; up to 8 points for the preservation of a previously HUD or USDA funded non-public housing development (such as project-based Section 8 or RD 515 properties), with developments receiving designation of high preservation priority from HUD or USDA getting 8 points, 5 points for medium priority and 3 points for low priority; or 6 points for proposed preservation of any other affordable housing development.

Indiana awards 7 points for rehabilitation developments that support community preservation; the development must be at least 75% rehabilitation, part of a city or town's revitalization plan, or infill housing that conforms to the existing neighborhood. The 2011 QAP offers up to 3 points for use of an existing, 100% vacant structure into rental housing. Two points are also available for projects that are historic in nature. Five points are available for federal assisted revitalization.

New construction and rehabilitation projects are held to different standards concerning unit size square footage.

Allocations (2003-2009)

Properties Preserved: 58

Apartments Preserved: 4,265

Private Activity Bonds with 4% Tax Credits

Allocations (2003-2009)

Properties Preserved: 10

Apartments Preserved: 1,826

Housing Trust Funds

The Indiana Affordable Housing and Community Development Fund may be used for rehabilitation activities, including housing at risk of converting to market-rate. Developers applying for rental housing tax credits may simultaneously apply for a Trust Fund loan. The Trust Fund is overseen by the Housing and Community Development Authority and has leveraged its funds more than six-fold with other private and public moneys. From its establishment in 1989 through October 2008, the Development Fund committed approximately \$32 million to finance and develop over 1,400 affordable housing units. Trust Fund projects have leveraged \$120 million in private investment in housing, as well as a \$100 million in income for other businesses. Although there is no official allocation plan, HCDA has made preservation projects a priority for the Fund. Since its inception, of all multifamily projects funded that were identified as new construction or rehabilitation, nearly 50% of Fund dollars have gone to rehabilitation properties. Beginning in fiscal year 2010, the fund began receiving new revenue to support its activities, generating approximately \$7 million in FY08 and projected to generate about \$6 million in FY09. The primary sources of revenue are a tax on non-cigarette tobacco and local option document recording fee.

The Indianapolis Housing Trust Fund was established by Metropolitan Development Commission (MDC) in 2000 and is administered by the Division of Economic

PLEASE NOTE: Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

Indiana's 2011 QAP offers up to 8 points for implementing a range of energy efficient features. The list does not materially distinguish between new construction and rehab developments. Up to 6 points are also available for receiving various certifications, including LEED, meeting the International Energy Conservation Code standards, and achieving certain HERS ratings.

As a threshold requirement, rehabilitation and new construction projects must supply an Energy Star refrigerator, stove, and new smoke detectors.

Other Green Incentives Relevant to Preservation

Other incentives include a property tax exemption for renewable energy systems, energy efficiency tax credits, and utility rebates.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

Indiana's 2011 QAP awards up to 7 points for Community Revitalization Preservation and up to 2 points to developments which contribute to the housing and community revitalization needs of a community and/or further the community's housing goals. Up to 7 points are also available for infill developments and projects located on brownfields.

The QAP establishes a 10% set-aside for "community impact," defined as being an important part of a broader or comprehensive program of neighborhood improvement, and which has the capability of fundamentally changing the character of the neighborhood. Up to 4 points are available for locating with a qualified census tract or a difficult to develop area.

Additionally, 11 - 14 points are available if the project is part of an adopted redevelopment or community revitalization plan. The plan must include rehabilitation of production of affordable rental housing. Ten points are awarded to a proposed development that is recognized by the local government as assisting in the stabilization of a neighborhood by demolishing or redeveloping property that has been foreclosed, abandoned, or constitutes blight or greyfield redevelopment.

The 2011 QAP awards 1 point for locating within 1/4 mile of public transportation, and 0.5 point for being between 1/2 and 1/4 mile.