

City of Valparaiso Redevelopment Commission

Workforce Housing Grant Program Guidelines

Purpose

As part of the 2025 budget, the Valparaiso Redevelopment Commission appropriated \$1,000,000 to support Workforce Housing Initiatives, including:

- \$250,000 for Initiatives and Grants*
- \$500,000 for Property Acquisition
- \$250,000 for Infrastructure Improvements

The scarcity of buildable residential lots has escalated land values. The cost to extend and/or improve public infrastructure can also be a cost barrier to affordable new home construction. The City Administration and the Redevelopment Commission are committed to promoting the development of workforce housing to support individuals who live or work in the City of Valparaiso and to create more opportunities for people to move into housing that fits their stage of life—whether they’re just starting out or downsizing—so homes can better serve families across generations. These grants are intended to lower development costs for owner-occupied housing projects within Valparaiso, allowing units to be priced at or below \$300,000.

Grant funding is to be used exclusively for land purchase and/or improvement of development and redevelopment infrastructure. Infrastructure includes roads, alleys, sidewalks, pathways, water, sanitary sewer, storm sewer, etc. This is not an all-inclusive list and may include additional items as deemed appropriate by the Redevelopment Commission. Land, development and redevelopment projects must be located within the City of Valparaiso.

Grants are intended for owner-occupied residential properties. Eligible types of housing projects include single family, duplex, townhomes, and condos. Applications for land purchase, development or redevelopment infrastructure improvements targeting multi-family apartments and rentals units are ineligible for this grant program. Grants for extending utility infrastructure within public right-of-way for an Accessory Dwelling Unit (ADU) is eligible for funding provided one unit (primary or ADU) remains owner occupied.

*To qualify for Initiatives grant funds households are required to earn 60–120% of Area Median Income (AMI). As of 2024, AMI in Valparaiso was \$65,900, which puts 60–120% in the \$39,540–\$79,080 range. Qualifying grant programs through financial institutions and/or neighborhood housing organizations may include but are not limited to down payment assistance, forgivable loans, or closing cost assistance. The maximum housing initiative grant award to an individual or household is limited to \$10,000.00.

Eligible Applicants

Applicants must meet one of the following conditions:

- a. A nonprofit housing organization incorporated in the State of Indiana with 501(c)(3) status (“Qualified Nonprofit”); or
- b. A partnership entity between a Qualified Nonprofit and a for-profit entity that is directly or indirectly involved in residential development and/or residential financing.

All applicants must demonstrate ability to complete the project through:

- a. Organizational capacity (board of directors, staff, skill set, contractual relationships)
 - b. Project readiness (site control, zoning compatibility, initial design)
 - c. Financial feasibility
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Land/Infrastructure Project Eligibility Criteria

To qualify for funding, a proposed project must:

- a. Be located within Valparaiso city limits
- b. Include new construction of owner-occupied units or the rehab/redevelopment of a structure that will result in the execution of eligible housing types
- c. Result in housing unit(s) priced at or below \$300,000
- d. Be ready to begin construction within 12-18 months of grant award
- e. Must meet City development planning codes or receive appropriate variances for construction of the project

Projects involving rental housing or developments outside Valparaiso are not eligible.

Eligible Uses of Grant Funds

Grant funds may be used for:

- a. Direct Land Acquisition Costs
 - Purchase of land intended for owner-occupied housing
 - Requires third-party appraisal or valuation
 - The cost for demolition of real property improvements is ineligible for grant reimbursement
- b. Public infrastructure improvements required by the City of Valparaiso such as:
 - Roads
 - Alleys

- Sidewalks and pathways
- Stormwater and sewer systems
- Water service connections
- NIPSCO, gas, electric
- Other site work not listed above will be considered
- c. Reimbursement of associated costs such as building permits, impact fees, and sewer fees.

Private infrastructure (e.g., driveways, garages not being redeveloped into an ADU) is not eligible for reimbursement.

Funding Limits and Matching Encouragement

- a. Applicants may apply for funding in workforce housing initiative categories (land and infrastructure)
 - b. Grant amounts are subject to RDC budget limitations
 - c. Financing tools such as down payment assistance, programs offered through financial institutions, employers, applicant matching funds and other public agencies are encouraged
 - d. Must provide any administrative costs/fees charged to the project
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Application Requirements

A complete application must include:

- a. A fully completed Attainable Housing Grant Application Form
- b. Itemized development budget (soft and hard costs)
- c. Preliminary site plan and parcel location
- d. Proof of site control (e.g., purchase agreement, deed)
- e. Proof of optimizing private sector investment.
- f. A third-party appraisal or valuation (if applying for land funding)
- g. Evidence of zoning compatibility or steps to approval
- h. Board of Directors list and signed board resolution
- i. Commitment to targeted populations:
 - Living or working in the City of Valparaiso for 3 or more years

Optional but recommended:

- a. Employer/community support letters (especially from entities with 10 or more full-time employees)
- b. Sustainability features or green building summary

- c. Renderings or visuals of housing types
 - d. Marketing/outreach strategy
 - e. Inclusion of capital stacking components to foster workforce housing organizational sustainability
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Disbursement of Funds

Grants are awarded as reimbursements, except for land acquisition:

- Option A: Lump sum reimbursement after project completion (with lien waivers and receipts)
- Option B: Progress-based reimbursements at 50%, 90%, and 100% completion (with documentation)
- Option C (for land acquisition only): Funds can be distributed before construction begins so long as the land is under contract and the entity agrees to allow a deed restriction to be placed on the property

No grant funds will be disbursed without proof of eligible expenditure and compliance with agreement terms.

Review Process and Timeline

- a. Application Submission
 - Applications are accepted on a rolling basis or through a publicly announced funding round.
- b. Staff Review
 - Applications are reviewed for completeness, eligibility, and readiness. Once internal review is completed, the project application will be provided to the Redevelopment Commission (RDC) for evaluation.
- c. Evaluation
 - Complete project applications will be considered and evaluated by the RDC. Applicants may be required to present their project at a public meeting of the commission.
- d. Redevelopment Commission Approval
 - Final grant awards are approved during a public RDC meeting.
- e. Grant Agreement Execution
 - Recipients must enter into a grant agreement before funds are disbursed.