



Indiana Housing & Community Development Authority

MINUTES AND MEMORANDA OF A MEETING
OF
THE BOARD OF DIRECTORS OF
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

Held: October 22, 2015

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority ("IHCDA" or "Authority") was held October 22, 2015 at 10:00 a.m. at 30 South Meridian Street, Suite 1000, Indianapolis, Indiana 46204.

The following individuals were present at the meeting: Tonya Brothers-Bridge (Lieutenant Governor delegate), Cullen Cochran (Public Finance Director of the State of Indiana delegate), Kelly Mitchell (Treasurer of the State of Indiana), David Miller, Andy Place, Tom McGowan, Scenario Adebessin, Jacob Sipe (Executive Director for IHCDA), members of the staff of the Authority, and the general public.

Tonya Brothers-Bridge served as Chair of the meeting, and upon noting the presence of a quorum, called the meeting to order. Sondra Craig served as Secretary.

I. Approval of Minutes

A. Meeting Minutes

A motion was made by Kelly Mitchell to approve the September 24, 2015 Meeting Minutes, which was seconded by David Miller; the following Resolution was unanimously approved:

RESOLVED, the Minutes of the Board meeting held September 24, 2015 are hereby approved to be placed in the Minute Book of the Authority.

II. Real Estate

A. Bond Volume/4% Credits – The Gardens of Van Buren

Chair Brothers-Bridge recognized Alan Rakowski who presented information regarding Bond Volume/4% Credits – The Gardens of Van Buren.

Background

IHCDA is empowered to act as the housing credit agency for the State to administer, operate, and manage the allocation of the Internal Revenue Service Section 42 low-income housing tax credit (LIHTC) program. The purpose of the LIHTC is to provide an incentive for private developers and investors to provide more affordable rental housing. This is done by both new construction and rehabilitation of existing structures.

Process

On January 1, 2015 the IHCDA began the 2015A-B bond round for multi-family bond volume. The 13th application received and reviewed represented a total development cost of \$22,688,108 with \$11,964,750 in bond volume and \$896,112 in annual LIHTCs. The initial application also included a request for a \$500,000 loan from the Affordable Housing and Community Development Fund.

Bing Real Estate, Inc. is proposing the development of an affordable rental community of 175 apartment homes on a vacant and blighted industrial site on the Southeast side of Indianapolis. The development will be called the Gardens at Van Buren and will feature a mixture of one, two, three, and four bedroom apartments in five buildings and serve families whose income does not exceed 60% of the area's median income. Furthermore, the construction

of affordable rental housing is a stated goal in the Redevelopment/Revitalization Plan adopted by the Indianapolis Metropolitan Development Commission. The proposed development will help to revitalize a neighborhood by remediating a brownfield and providing high quality affordable housing.

During the round the Real Estate Department staff reviewed the application to ensure it met the criteria set forth in the 2014-2015 Qualified Allocation Plan. Additionally, on October 13, 2015 the applicant was given an opportunity to present the development to members of the Executive Committee and the Real Estate Department.

Following discussion, a motion was made by Scenario Adebessin to approve awarding \$11,964,750 in bond volume, \$896,112 in LIHTC, a loan with a 3% interest rate and a ten year term in the amount of \$500,000 from the Affordable Housing Community Development Fund to GVB, LP for the Gardens at Van Buren according to the terms of the 2015A-B Application Round, which was seconded by Kelly Mitchell; the motion passed unanimously:

RESOLVED, that the Board approve awarding \$11,964,750 in bond volume, \$896,112 in LIHTC, a loan with a 3% interest rate and a ten year term in the amount of \$500,000 from the Affordable Housing Community Development Fund to GVB, LP for the Gardens at Van Buren according to the terms of the 2015A-B Application Round, as recommended by staff.

B. Villas at the Plaza, L.P. Loan

Chair Brothers-Bridge recognized Darin Edwards who presented information regarding Villas at the Plaza.

Background

On October 23, 2014, the IHCD Board of Directors awarded Villas at the Plaza, L.P. bond volume, Rental Housing Tax Credits, and a Development Fund Loan. The Villas at the Plaza, located in Southport, consists of 93 new construction units targeting seniors. This will be the first project to be built as part of Southport's Downtown Revitalization Plan. The development will also be home the Perry Township Senior Citizens Service Center, which will provide programing and services for the senior tenants.

Process

At time of initial approval, the project anticipated an award of AHP funding from the Federal Home Loan Bank of Indianapolis (FHLBI) in an amount of \$500,000.00. The project was not successful in securing a FHLBI AHP award, thus creating a financing gap. The project developer, Partnership for Affordable Housing, Inc. (PAH) has requested additional IHCD project financing.

As with any request for supplementary funding following a tax credit allocation, IHCD staff reviewed the request under the terms of the Qualified Allocation Plan (QAP). Under the terms of the QAP, developments which request additional IHCD resources after receiving a tax credit allocation are subject to sanctions. IHCD ensured that the PAH team was aware of the QAP requirements prior to proceeding with the review process.

IHCD has underwritten the development with an additional \$500,000 HOME loan at 3% interest for 30 years, payable from cash flow.

If approved, the developer, PAH, will be ineligible to request additional IHCD capital funding sources until issuance of IRS Form 8609 for this development. The consultant, Anderson Partners, will be added to IHCD's "watch-list." While watch-listed organizations remain eligible to apply for funding, they are scrutinized for additional issues or capacity concerns. If a watch-listed organization has issues on an additional development, that organization will then face sanctions.

Following discussion, a motion was made by David Miller to approve a HOME loan to Villas at the Plaza, L.P., in an amount not to exceed \$500,000.00 at 3% interest for 30 years, as recommended by staff, which was seconded by Cullen Cochran; the motion passed unanimously:

RESOLVED, that the Board approve a HOME loan to Villas at the Plaza, L.P., in an amount not to exceed \$500,000.00 at 3% interest for 30 years, as recommended by staff, as recommended by staff.

Anticipated Number of Assisted Units: 14

City of Washington	HD-015-003
Amount Requested:	\$350,000
Amount Recommended:	\$350,000
Total Project Costs:	\$385,000
Score:	80
Primary Project County:	Daviess
Housing Activity:	Owner Occupied Rehabilitation
Anticipated Number of Assisted Units:	14

Town of Liberty	HD-015-004
Amount Requested:	\$350,000
Amount Recommended:	\$350,000
Total Project Costs:	\$380,521
Score:	75
Primary Project County:	Union
Housing Activity:	Owner Occupied Rehabilitation
Anticipated Number of Assisted Units:	11

CAPWI	DR2OR-015-002
Amount Requested:	\$350,000
Amount Recommended:	\$350,000
Total Project Costs:	\$355,940
Score:	75
Primary Project County:	Fountain
Housing Activity:	Owner Occupied Rehabilitation
Anticipated Number of Assisted Units:	15

Jefferson County	HD-015-005
Amount Requested:	\$350,000
Amount Recommended:	\$350,000
Total Project Costs:	\$385,000
Score:	74
Primary Project County:	Jefferson
Housing Activity:	Owner Occupied Rehabilitation
Anticipated Number of Assisted Units:	14

Switzerland County	HD-015-006
Amount Requested:	\$350,000
Amount Recommended:	\$350,000
Total Project Costs:	\$385,000
Score:	74
Primary Project County:	Switzerland
Housing Activity:	Owner Occupied Rehabilitation
Anticipated Number of Assisted Units:	14

City of Rockport	HD-015-007
Amount Requested:	\$350,000
Amount Recommended:	\$350,000
Total Project Costs:	\$385,000
Score:	74
Primary Project County:	Spencer
Housing Activity:	Owner Occupied Rehabilitation
Anticipated Number of Assisted Units:	15

City of Warsaw	HD-015-008
Amount Requested:	\$200,000
Amount Recommended:	\$200,000

Total Project Costs: \$230,503.72
 Score: 73
 Primary Project County: Kosciusko
 Housing Activity: Owner Occupied Rehabilitation
 Anticipated Number of Assisted Units: 12

City of Shelbyville	DR2OR-015-003
Amount Requested:	\$350,000.00
Amount Recommended:	\$350,000.00
Total Project Costs:	\$389,000.00
Score:	72.5
Primary Project County:	Shelby
Housing Activity:	Owner Occupied Rehabilitation
Anticipated Number of Assisted Units:	14

City of Lawrenceburg	DR2OR-015-004
Amount Requested:	\$300,000
Amount Recommended:	\$150,000
Total Project Costs:	\$180,000
Score:	72
Primary Project County:	Dearborn
Housing Activity:	Owner Occupied Rehabilitation
Anticipated Number of Assisted Units:	7

Town of Crothersville	DR2OR-015-005
Amount Requested:	\$311,500
Amount Recommended:	\$155,750
Total Project Costs:	\$155,750
Score:	72
Primary Project County:	Jackson
Housing Activity:	Owner Occupied Rehabilitation
Anticipated Number of Assisted Units:	7

The following applicants are not being recommended for funding as there were more requests than funds available.

Applicant	Amount Requested	Applicant Score
King Park Development Corporation	\$300,000	71
City of Salem	\$345,000	69
City of Austin	\$350,000	69
Town of Dublin	\$350,000	69
Town of Worthington	\$350,000	68
Martin County Board of Commissioners	\$350,000	67
City of Union City	\$350,000	64
Town of Bruceville	\$150,000	63
City of Auburn	\$350,000	60
Interlocal Community Action Program	\$150,000	58
Town of East Germantown	\$300,000	57
City of New Haven	\$350,000	49

Following discussion, a motion was made by Kelly Mitchell to approve the recommended CDBG awards in an amount not to exceed \$2,650,000 and the recommended CDBG-D awards in an amount not to exceed \$1,005,750, as recommended by staff, which was seconded by Tom McGowan; the motion passed unanimously:

RESOLVED, that the Board approve the recommended CDBG awards in an amount not to exceed \$2,650,000 and the recommended CDBG-D awards in an amount not to exceed \$1,005,750, as recommended by staff.

III. Community Programs

A. Individual Development Account Program Administrator Approval

Chair Brothers-Bridge recognized Brian Carman who presented information regarding Individual Development Account Program Administrator Approval.

Background

The Individual Development Account Program (IDA) is a matched savings program designed to assist low income families develop personal finance skills and build assets. Indiana's program began in 1997 under IC 4-4-28 and is one of the oldest asset building programs in the country.

Each year, IHCDA applies for federal funds through a competitive grant process. Indiana received \$1 million in grant funds from Assets for Independence under the U.S. Department of Health and Human Services. The federal funds are matched by \$1 million in non-federal sources. Traditionally, the non-federal sources have come from the state budget. The match funds are allocated to community development corporations (CDCs) as mandated by IC 4-4-28-2, who are also called program administrators. The CDCs are charged with program administration, training, and technical assistance, but most importantly participant recruitment. Eligible participants must not exceed 175% of the federal poverty level and demonstrate a capacity to save over a four year period and make an asset purchase within five years. Participants must complete financial literacy and asset specific goals training. Funds from the federal and non-federal sources are used to support qualified asset purchases which include education, job training, first home purchase, and small business development or expansion, as outlined in IC 4-4-28-16. Participants save up to \$300 per year and are matched up to \$3.00 for every \$1.00 saved. Over a four year period, a participant can save up to \$1,200 and be matched up \$3,600. To date, IDA has assisted nearly 10,000 low income Hoosiers gain financial literacy skills and make asset purchases.

Process

In September 2015, IHCDA released the application to become a program administrator to current program administrators and posted same on IHCDA's website. Eligible CDCs completed an application and returned them to the Community Program Analyst for review on October 9, 2015. IHCDA received 19 applications. Applications were reviewed based on their capacity to support program administrative duties, facilitate participant recruitment, history of maintaining similar programs, and the capacity to take on new accounts. All eligible applicants were approved by program staff to serve as program administrators.

To allocate funds, the Community Programs staff used a formula process. Agencies were allocated funds to match new accounts for up to four years plus administrative funds to run the program. IHCDA will retain 5% of the award, or \$100,000, for administrative costs.

<u>Organization Name</u>	<u>Accounts</u>	<u>Allotment</u>
Area Five Agency on Aging & Community Services	20	\$84,706.00
Affordable Housing Corporation	10	\$42,353.00
Community Action of Northeast Indiana d/b/a Brightpoint	7	\$29,647.10
Community Action of Southern Indiana	15	\$63,529.50
Community Action Program, Inc. of Western IN	10	\$42,353.00
Dubois Pike Warrick Economic Opportunity Committee, Inc., d/b/a TRI-CAP	20	\$84,706.00
Eastside Community Center	24	\$101,647.20
Interlocal Community Action Program, Inc.	10	\$42,353.00
John H. Boner Community Center	45	\$190,588.50
LaCasa, Inc.	20	\$84,706.00
Lincoln Hills Development Corporation	15	\$63,529.50
Muncie Home Ownership & Revitalization	15	\$63,529.50
Northwest Indiana Community Action	25	\$105,882.50

Pace Community Action Agency, Inc.	10	\$42,353.00
Pathfinder Services, Inc.	55	\$232,941.50
PathStone Corporation	40	\$169,412.00
REAL Services Inc.	25	\$105,882.50
Southeastern Indiana Economic Opportunity Corporation – SIEOC	10	\$42,353.00
United Way of Bartholomew County	40	\$169,412.00
Total:	416	\$1,761,884.80

Following discussion, a motion was made by Scenario Adebessin to approve the 19 applicants as IDA program administrators for the 2015-2016 program year for the amounts noted in the table above in an amount not to exceed \$1,761,884.80., as recommended by staff, which was seconded by Tom McGowan; the motion passed unanimously:

RESOLVED, that the Board approve the 19 applicants as IDA program administrators for the 2015-2016 program year for the amounts noted in the table above in an amount not to exceed \$1,761,884.80., as recommended by staff.

Following discussion, a motion was made by Tom McGowan to approve delegated authority to the IHCDA Executive Director to allocate the unexpended balance of IDA funds on a first-come, first-served basis to the 19 applicants which exhaust their allocations, as recommended by staff, which was seconded by David Miller; the motion passed unanimously:

RESOLVED, that the Board approve delegated authority to the IHCDA Executive Director to allocate the unexpended balance of IDA funds on a first-come, first-served basis to the 19 applicants which exhaust their allocations, as recommended by staff.

B. Healthy Homes and Asset Development Update

Chair Brothers-Bridge recognized Ray Judy and Brian Carman who presented updates regarding Healthy Homes and Asset Development.

No action was required as this was an update to the Board.

IV. Research & Innovation

A. Business Expansion and Entrepreneurship Development Awards – Loan Loss Reserve

Chair Brothers-Bridge recognized Joe Palus who presented a recommendation regarding Business Expansion and Entrepreneurship Development Awards – Loan Loss Reserve.

Background

Since 2010, IHCDA has worked with a network of partners to implement the Business Expansion and Entrepreneurship Development initiative (BEED). The primary goal of BEED is to assist and foster microenterprise development through community lending. In the first round of BEED, IHCDA awarded funds to eight community action agencies (CAAs) to capitalize loan pools, allowing participants to make loans of up to \$10,000 for start-up of a new microbusiness and \$25,000 for expansion of an existing microbusiness. In addition, IHCDA retained a consultant with over twenty years of microlending experience to assist each site in developing the systems and processes necessary to make loans at an appropriate risk level to businesses that were likely to succeed and grow through BEED investment. In the second round of BEED, IHCDA opened the competition to organizations other than community action agencies, resulting in awards to six CAAs and two nonprofit mission-based lenders – Flagship Enterprise Center and BOI (formerly Business Ownership Initiative of Indiana).

BEED lenders have seen a wide range of success levels, with delinquency rates ranging from 3% to nearly 40%. Those in the latter category highlight the key challenge which IHCDA identified with the first two rounds of BEED – for some of the partners, microlending was but one of a broad range of services offered, and it generated insufficient revenue to support the staffing levels required to provide the in-depth and high-touch development

services that are so critical to successful microlending. Moreover, those BEED lenders were more likely to have experienced significant difficulties leveraging BEED capital to expand their operations, while the more successful lenders did an excellent job of attracting both USDA funding and Small Business Administration (SBA) loan / operating capital.

Based on this analysis, IHCDCA proposes to re-allocate unused BEED dollars (roughly \$191,000) to facilitate increased lending by contributing to loan loss reserves for SBA-certified microlenders. This would allow BEED lenders to leverage those funds with SBA Microloan capital (or other capital) at a rate of up to roughly \$7.00 for every \$1.00 of BEED loan loss reserve. If their portfolios continue to perform, they can continue to leverage BEED reserve dollars with SBA capital in perpetuity.

Process

In late August, IHCDCA released a Request for Qualifications (RFQ) soliciting eligible SBA microlenders with the capacity and commitment to utilize BEED loan loss reserve funds to leverage SBA funds or other loan funds to increase their microlending activity by an amount equal to 6.667 times the amount of their BEED loan loss reserve award within a reasonable timeframe. IHCDCA received three responses: Brightpoint (a/k/a Community Action of Northeast Indiana), BOI, and Flagship Enterprise Center. Each of these lenders’ missions includes providing loans and development services to eligible microentrepreneurs. In addition to meeting the threshold criteria of being certified as an SBA microlender and meeting minimum levels of organizational infrastructure required to responsibly and expeditiously deploy SBA microloan funds, applicants were ranked on the following criteria:

1. Years of experience in microlending;
2. Size of current loan portfolio;
3. Average loan amount;
4. Percentage of loans 30/60/90 days past due or in default/workout;
5. Leverage ratio;
6. Amount of time anticipated by the lender to deploy loan capital equal to 6.667 times the loan loss reserve contribution; and
7. Ratio of jobs created to deployed capital in existing portfolio.

The highest ranking organization was assigned a value of three and the lowest ranking organization was assigned a value of one on each criterion above. Staff then took an average of applicant ranks across these criteria, then multiplied the ratio of each organization’s rank against the total across all three ranks (ranging from 2.286 to 1.426 against a total of 5.57142) by the amount of funds available for loan loss reserve. The resulting proposed awards are as follows:

Organization	Composite Rank	Resulting Award ¹
Brightpoint	1.4286	\$48,974
BOI	1.8571	\$63,667
Flagship	2.2857	\$78,359
Total:	5.5714	\$191,000

Following discussion, a motion was made by Scenario Adebessin to approve awarding BEED loan loss reserve funds to the three respondents in the amounts listed in the table above in an amount not to exceed \$191,000, as recommended by staff, which was seconded by Kelly Mitchell; the motion passed unanimously:

RESOLVED, that the Board approve awarding BEED loan loss reserve funds to the three respondents in the amounts listed in the table above in an amount not to exceed \$191,000, as recommended by staff.

	B.	Community Investment Fund of Indiana, Inc. Support Extension
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Chair Brothers-Bridge recognized Mark Wuellner, as IHCDCA Ethics Officer, who explained to the Board that Jake Sipe and Scenario Adebessin had disclosed potential conflicts of interest with CIFI based on direct roles, responsibilities or investments in CIFI. Mark indicated the Jake and Scenario were following IHCDCA protocol on

¹ Based on total available of \$191,000.

conflicts of interest, and requested that they recuse themselves from this agenda item. Jake and Scenario then left the room. Mark took Jake's place as IHCDA Executive management representation at the Board table.

Chair then recognized Joe Palus who presented a recommendation regarding Community Investment Fund of Indiana, Inc. Support Extension Request.

Background

In 2011, IHCDA worked with community partners throughout the state to create the Community Investment Fund of Indiana, Inc. (CIFI), a nonprofit community development financial institution. CIFI's mission is to finance projects to build vibrant communities and resilient families. It provides capital, makes connections to the same, and facilitates access to program services for transformative community reinvestment. Its purpose is to generate positive change by increasing financial capital flows across the state by directly financing projects, assisting in leveraging additional capital, and facilitating access to program services. CIFI's primary customers are individuals, businesses, not-for-profit organizations, community service providers, and affordable housing developers.

Over the past four years, IHCDA has demonstrated its commitment to building a foundation for CIFI to be a success by providing \$1.5M of initial loan capital, \$200,000 in performance-based operating support, and in-kind support (0.4 of 1 IHCDA FTE and use of IHCDA space and equipment). IHCDA further supports CIFI by seating its Executive Director on the CIFI board of directors.

On October 15, 2015, CIFI submitted its application for certification as a Community Development Financial Institution (CDFI) to the CDFI Fund, a unit of the US Department of Treasury. Certification signals to investors, lenders and donors that CIFI is a strong and active community-driven lender. Additionally, submission of this application allows CIFI to apply for a financial assistance award from the CDFI Fund, which could range from \$200,000 to \$400,000. The certification review process typically takes 90 days. If that process holds true, CIFI would receive a determination in late January or early February 2016.

In the meantime, the contracts between CIFI and IHCDA for operating support and in-kind support have expired. Approximately \$60,000 of operating support remains unexpended.

Process

CIFI's goal has always been to reach self-sufficiency - which it defines as no longer being solely dependent on IHCDA for critical financial and technical support - as rapidly as possible. As part of our review of the organization's progress in deploying capital and attracting outside resources, IHCDA staff has met with CIFI to discuss what must still occur for the organization to achieve that self-sufficiency.

On the in-kind support, IHCDA has set a goal of working with CIFI to craft a resource development strategy by December 31, 2015. This would assist CIFI in achieving its goal of securing at least two commitments by the end of this year from its board members and continuing to seek commitments from board members in the first quarter of 2016 with the goal of approaching non-board lenders in the second quarter of 2016. Additionally, if the CDFI Fund financial assistance application is released in 2015, IHCDA staff will assist CIFI in applying for this assistance. To assist CIFI with these tasks, staff recommends renewing IHCDA's in-kind support to CIFI through December 31, 2015. Functioning outside the IHCDA offices in 2016 will allow CIFI to avoid the appearance of governmental control (a factor in receiving CDFI certification), and send a strong signal to the market that CIFI is a strong and self-sustaining organization.

On the extension of the operating support, CIFI has done the following since its last update to the board in March 2014:

- Applied for certification from the CDFI Fund, as noted above;
- Received a letter of intent from PNC Bank in October 2015 for a \$250,000 low-interest loan to deploy within PNC's CRA Assessment area;
- Made loans in Indianapolis, Columbus, Whitley County, Fort Wayne, and Bloomington; with pipeline loans serving South Bend, Goshen, Anderson, and Henry County;
- Committed, closed, and disbursed or prepared to disburse six additional loans totaling \$171,000;
- Obtained Investment Committee/Board approval of four loans totaling \$186,000 which are projected to close by year-end at the very latest;
- Secured repayment of two loans totaling \$60,000; and

- Entered into an agreement with Brightpoint (an Indiana community action agency) whereby CIFI will purchase participations in Brightpoint loans that meet CIFI's underwriting criteria, thus allowing Brightpoint to reach more borrowers and CIFI to build a loan portfolio. Similar agreements are in negotiation with two other microlenders in Indiana.

Presuming that the application for certification is approved (likely in late January/early February), certification will open doors to other types of assistance from the U.S. Department of Treasury and alliances with other financial institutions throughout the State. To allow CIFI to fully operate throughout the CDFI review period and for a period thereafter during which CIFI may pursue non-IHCDA commitments, IHCDA recommends allowing CIFI to spend down the remaining operating support for a period of 6 months, covering October 2015 through March 2016.

Following extended discussion and interaction with Phil Black, President of CIFI, a motion was made by Tom McGowan to approve entering into a renewal of the memorandum of understanding under which IHCDA provides in-kind services to CIFI through December 31, 2015, as recommended by staff, which was seconded by Andy Place; the motion passed by a unanimous vote of all members present. Scenario Adebessin remained out of the room:

RESOLVED, that the Board approve entering into a renewal of the memorandum of understanding under which IHCDA provides in-kind services to CIFI through December 31, 2015, as recommended by staff.

A second motion was then made by Kelly Mitchell, that the Board approve entering into a contract to allow CIFI to carry over the unexpended amount of operating funds as described above, as recommended by staff, which was seconded by David Miller; the motion passed by a unanimous vote of all members present. Scenario Adebessin remained out of the room:

RESOLVED, that the Board approve entering into a contract to allow CIFI to carry over the unexpended amount of operating funds as described above, as recommended by staff.

A third motion was then made by Tom McGowan that the Board direct staff to work with CIFI to project a 2016 operating plan and submit a report to the Board at its November Board meeting, which was seconded by Andy Place; the motion passed by a unanimous vote of all members present. Scenario Adebessin remained out of the room:

RESOLVED, that the Board direct staff to work with CIFI to project a 2016 operating plan and submit a report to the Board at its November Board meeting, as recommended by staff.

Following the third resolution, the Board Secretary retrieved Jake Sipe and Scenario Adebessin, and they returned to their places at the Board table. Mark Wuellner returned to his seat with staff.

V.	Executive	
	A.	Internal Audit Charter

Chair Brothers-Bridge recognized Aimee Jacobsen who presented a recommendation regarding the Internal Audit Charter.

Background

This Board established an Audit Committee comprised of the following members: Tonya Brothers-Bridge, Mark Pascarella, and Tom McGowan. The role of this Committee is to ensure the fiscal, operational, and program integrity of IHCDA and to make reports and recommendations to the Board.

Process

The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organization, including the nature of the Chief Audit Executive's (CAE) functional reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the Board of Directors.

On October 13, 2015, two members of the Audit Committee Tonya Brothers-Bridge and Mark Pascarella, along with IHCD staff, reviewed the proposed Internal Audit Charter.

Following discussion, a motion was made by Tom McGowan to approve the Internal Audit Charter attached hereto as Exhibit A, as recommended by staff, which was seconded by Cullen Cochran; the motion passed unanimously:

RESOLVED, that the Board approve the Internal Audit Charter attached hereto as Exhibit A, as recommended by staff.

B.

Executive Update

Chair Brothers-Bridge recognized Jake Sipe who presented an Executive Update.

Jake updated the Board on 4 items:

1. The Moving Forward Initiative selected BWI and Pedcor as the 2 developers to move forward into development stage, following submission of 11 responses to the RFQ and developer presentations.
2. Jake requested the Board consider forming an Advisory Committee for Development Fund to advise staff in evaluating items that don't necessarily fit within the traditional Development Fund policy.
3. Jake recognized Rodney Stockment for winning Staff Member of the Year Award at the IACED Annual Conference.
4. At the NCSHA annual conference, IHCD received a national award in Management Innovation for Continuous Improvement efforts.

No action was required as this was an update to the Board.

V.

Other Business

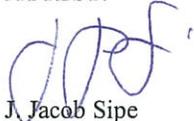
There being no further business a motion was made by Kelly Mitchell to adjourn the meeting, and the meeting was adjourned at 11:46 a.m.

Respectfully submitted,



Tonya Brothers-Bridge as designee of
Lieutenant Governor, Sue Ellspermann

ATTEST:



J. Jacob Sipe
Executive Director for IHCD