



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

Held: May 22, 2014

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority ("IHCDA" or "Authority") was held May 22, 2014 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), Mark Pascarella (Public Finance Director of the State of Indiana delegate), Chris Conner (Treasurer of the State of Indiana delegate), Tom McGowan, Pat Gamble-Moore, David Miller, Lu Porter, 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 Mark Pascarella to approve the April 24, 2014 Meeting Minutes, which was seconded by Pat Gamble-Moore; the following Resolution was unanimously approved:

**RESOLVED**, the Minutes of the Board meeting held April 24, 2014, are hereby approved to be placed in the Minute Book of the Authority.

**II. Real Estate**

**A. Stonecutters Place Tax Credit Assistance Program Loan**

Chairman Brothers-Bridge recognized Alan Rakowski who presented information regarding Stonecutters Place Tax Credit Assistance Program Loan.

**Background**

The American Recovery and Reinvestment Act of 2009 (ARRA) created the Tax Credit Assistance Program ("TCAP") to enhance the Section 42 Rental Housing Tax Credit Program. At that time, equity pricing was historically low and tax credit developers were struggling to get the necessary equity pricing on their credits to make developments financially feasible. With the intent of creating a "legacy program", IHCDA chose to implement its TCAP funding as a short-term loan program so that the funds would continue to be recycled for future tax credit deals. Because the intent of TCAP was to provide assistance for tax credit developments that would otherwise struggle financially, IHCDA has elected to only make its recycled TCAP funds available for permanent supportive housing developments (Housing First) or developments located in rural areas, as these types of developments have the most difficulty with equity pricing. By providing a 0% interest bridge loan, TCAP can help these deals obtain better equity pricing. Developers cannot request a TCAP loan until after tax credits have been reserved and an investor commitment of equity has been received. Therefore, under IHCDA's policy developers must always make a TCAP request after the IHCDA Board has approved credits, and never in conjunction with a tax credit application.

**Project Summary**

Stonecutters Place will entail the adaptive reuse of a historic building with a new construction addition, creating 30 units of affordable senior housing in Bedford. The site is located in the downtown area and is one of the projects identified in the City of Bedford’s Stellar Community Strategic Plan.

On February 27, 2014, the IHEDA Board of Directors awarded Stonecutters Place Rental Housing Tax Credits in the 2014A-C Round. The development team is now requesting an equity bridge loan through TCAP.

**Process**

IHCDA staff reviewed the request and determined that a TCAP loan will enhance the development strength and improve the pricing which Stonecutters Place will receive. The investor’s equity installments will repay the TCAP loan, allowing IHCDA to continue to recycle those funds.

<b>Project Name:</b>	Stonecutters Place
<b>TCAP Amount Requested:</b>	\$5,500,000.00
<b>TCAP Amount Recommended:</b>	\$5,500,000.00
<b>Total Project Costs:</b>	\$8,021,017.00
<b>Location:</b>	Bedford
<b>Developer:</b>	Hoosier Uplands Economic Development Corporation
<b>Activity:</b>	Rehabilitation and New Construction
<b>Award Type:</b>	TCAP Loan 0%/4 years

Following discussion, a motion was made by Chris Conner to approve a TCAP loan to Stonecutter’s Place, LP at 0% interest over four years, in an amount not to exceed \$5,500,000.00, for the above-referenced request, as recommended by staff, which was seconded by Tom McGowan. The motion passed by a majority of the vote with one abstention by David Miller.

**RESOLVED**, that the Board approve a TCAP loan to Stonecutter’s Place, LP at 0% interest over four years, in an amount not to exceed \$5,500,000.00, for the above-referenced request, as recommended by staff.

**B. Miller Asbury Apartments Tax Credit Assistance Program Loan**

Chairman Brothers-Bridge again recognized Alan Rakowski who presented information regarding Miller Asbury Apartments Tax Credit Assistance Program Loan.

**Background**

The American Recovery and Reinvestment Act of 2009 (ARRA) created the Tax Credit Assistance Program (“TCAP”) to enhance the Section 42 Rental Housing Tax Credit Program. At that time, equity pricing was historically low and tax credit developers were struggling to get the necessary equity pricing on their credits to make developments financially feasible. With the intent of creating a “legacy program”, IHEDA chose to implement its TCAP funding as a short-term loan program so that the funds would continue to be recycled for future tax credit deals. Because the intent of TCAP was to provide assistance for tax credit developments that would otherwise struggle financially, IHEDA has elected to only make its recycled TCAP funds available for permanent supportive housing developments (Housing First) or developments located in rural areas, as these types of developments have the most difficulty with equity pricing. By providing a 0% interest bridge loan, TCAP can help these deals obtain better equity pricing. Developers cannot request a TCAP loan until after tax credits have been reserved and an

investor commitment of equity has been received. Therefore, under IHCDAs policy, developers must always make a TCAP request after the IHCDAs Board has approved credits and never in conjunction with a tax credit application.

**Project Summary**

Miller Asbury Apartments will entail the adaptive reuse of a historic school with a new construction addition, creating 30 units of affordable senior housing in Greencastle. The site is near Greencastles downtown commercial district, which includes restaurants, shops, banks, post office, library, plus many other amenities. Miller Asbury Apartments will address Greencastles need to increase its supply of affordable senior rental housing.

On February 27, 2014, the IHCDAs Board of Directors awarded Miller Asbury Apartments Rental Housing Tax Credits in the 2014A-C Round. The development team is now requesting an equity bridge loan through TCAP.

**Process**

IHCDA staff reviewed the request and determined that the TCAP loan will enhance the development strength and improve the pricing which Miller Asbury will receive. The investors equity installments will repay the TCAP loan, allowing IHCDAs to continue to recycle those funds.

<b>Project Name:</b>	Miller Asbury Apartments
<b>TCAP Amount Requested:</b>	\$6,000,000.00
<b>TCAP Amount Recommended:</b>	\$6,000,000.00
<b>Total Project Costs:</b>	\$7,406,525.00
<b>Location:</b>	Greencastle
<b>Developer:</b>	MV Partners, LLC
<b>Activity:</b>	Rehabilitation and New Construction
<b>Award Type:</b>	TCAP Loan 0%/2 years

Following discussion, a motion was made by Lu Porter to approve a TCAP loan to Miller Asbury, LP at 0% interest over two years, in an amount not to exceed \$6,000,000.00, for the above-referenced request, as recommended by staff, which was seconded by David Miller; the motion passed unanimously:

**RESOLVED**, that the Board approve a TCAP loan to Miller Asbury, LP at 0% interest over two years, in an amount not to exceed \$6,000,000.00, for the above-referenced request, as recommended by staff.

**C. Greencastle Stellar Program – Public Parking Lots and Storm Water Retention System**

Chairman Brothers-Bridge recognized Jonathan Ehlke who presented information regarding Greencastle Stellar Program – Public Parking Lots and Storm Water Retention System.

**Background**

The Greencastle Public Parking Lots and Storm Water Retention System development is an amended request from the previous Greencastle Parking Garage project approved by the Board on April 25, 2013. Greencastle had requested \$4,150,000 in IHCDAs funding (a \$3,550,000 CDBG-D grant and a \$600,000 Development Fund loan at 0% for 20 years) to construct a three-level, 145 space parking garage. This parking garage would have addressed parking needs noted in a 2011 parking study and in Greencastles Stellar Communities plan. At the April 2013 meeting, the City of Greencastle expressed to the Board its anticipation that construction bids would come in below the \$4.15 million not-to-exceed amount, thereby reducing IHCDAs investment. However, after this approval by the Board, the City of Greencastle sent the project out to bid twice, with the bid responses coming in over \$1,000,000 of the budgeted costs. The project was no longer financially feasible.

## Project Summary

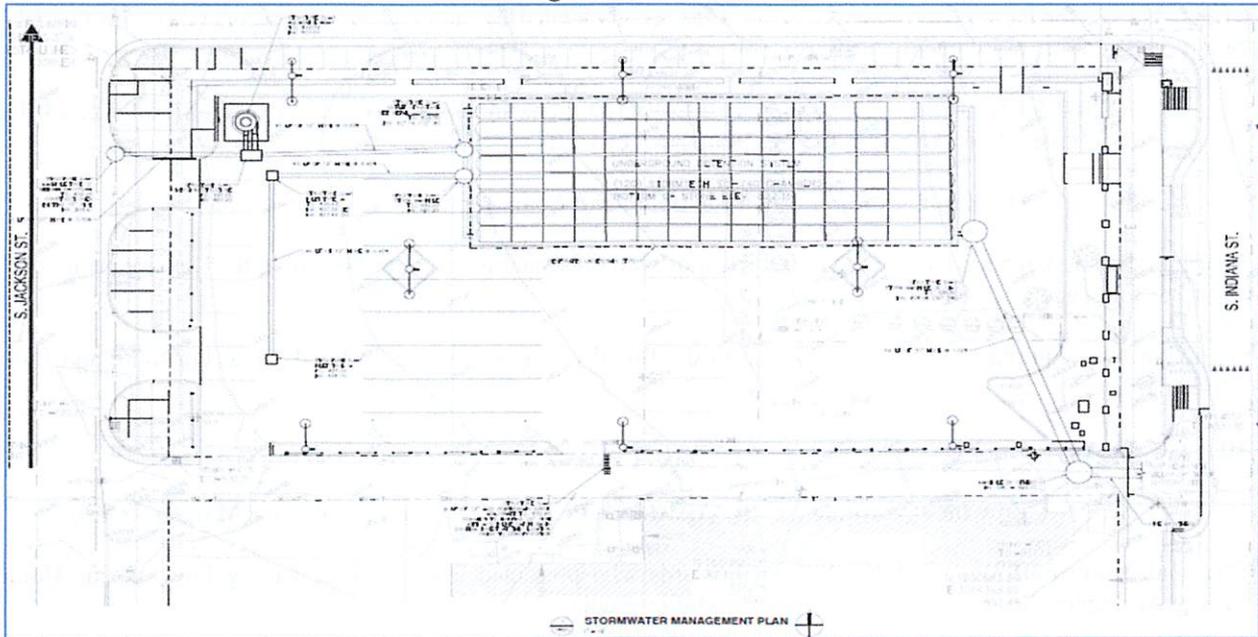
Forced back to the drawing board, the Greencastle Public Parking Lots and Storm Water Retention System project now consists of a two pronged approach to the revitalization of Greencastle's Stellar Community target area. Freed of the budgetary and design constraints of the parking garage, Greencastle sees an opportunity to target two original and vital goals of their original Stellar Community Plan: 1) parking solutions and 2) community infrastructure.

To address parking solutions, Greencastle has acquired a second lot one block from the courthouse square. This will result in two surface lots in place of the parking garage. Combined, the two lots will contain 97 spaces – 52 spaces at the South Jackson Lot and 45 spaces at the Moose Lot. These 97 spaces will be free of charge and will allow the courthouse employees and merchants to park off the square, increasing the visibility of the local storefronts. This is part of an overall parking solutions strategy for the City which involves adjusting the use of three other lots and increased policing of commuters parking in desirable spots on the square; thus reserving those spaces for store patrons. This parking strategy has already spurred a large increase in inquiries for store space on the courthouse square.



Second, to address community infrastructure needs, Greencastle has added a component to this project to improve storm water control and quality through a storm water retention system. The system will be located beneath the South Jackson lot. It will capture storm water runoff from the streets in the Stellar target area as well as the lot itself. The water will then be treated and released at a slower, more manageable rate for the downstream system which leads to Big Walnut Creek. This structure will have three overarching benefits. First, the filtration process will reduce the amount of contaminants entering Big Walnut Creek and lower the environmental impact of the Stellar target area. Second, the structure takes an antiquated storm water system and makes it capable. Last, storm water will no longer remain on the street surfaces of the Stellar target area, allowing Greencastle to remove a safety hazard, an eyesore, and a potential impediment to future economic development of not only downtown Greencastle but the “downstreet” areas that water has been flowing.

### Rendering of Storm Water Basin



Once the lots and storm water system are constructed the City intends to absorb electrical and general maintenance costs through funding by the Board of Public works.

In summary, the Greencastle Parking Lots and Storm Water Retention System project will address the parking needs of Greencastle while additionally implementing a community infrastructure solution that will increase the potential economic development of Greencastle’s downtown area.

This two-pronged solution will be achieved at a \$2,289,50.30 savings to the parking garage project. Specifically, the new project reduces the CDBG-D grant request by \$1,689,570.30 and eliminates the Development Fund request of \$600,000.00. The City’s match will increase by \$4,100.00. The new project reduces the costs per parking space from \$30,472.00 to \$21,989.00. In addition to the project cost savings, it is worth noting that the maintenance costs of the parking lots are substantially lower than the previously approved garage. Using the first year as an example, the estimated costs are \$2,268.00 against the previously estimated \$35,075.00, a savings of \$32,807.

<b>Project Name:</b>	Greencastle Stellar Program Public Parking Lots and Storm Water Retention System
<b>IHCDA Amount Requested:</b>	\$1,860,429.78
<b>CDBG-D Amount Recommended:</b>	\$1,860,429.78 CDBG-D Grant
<b>Total Project Costs:</b>	\$2,132,917.78
<b>Other Funding:</b>	\$272,488.00 – City of Greencastle
<b>Location:</b>	Greencastle, Putnam County
<b>Developer:</b>	City of Greencastle
<b>Activity:</b>	Comprehensive Community Development
<b>Award Type:</b>	CDBG-D Grant

Following discussion, a motion was made by David Miller to approve a CDBG-D grant, in an amount not to exceed \$1,860,429.78, for the above referenced request, as recommended by staff, which was seconded by Pat Gamble-Moore; the motion passed unanimously:

**RESOLVED**, that the Board approve a CDBG-D grant, in an amount not to exceed \$1,860,429.78, for the above referenced request, as recommended by staff.

**D. Development Fund, Loan Portfolio, and Loan Servicing**

Chairman Brothers-Bridge recognized Darin Edwards who presented information regarding the Development Fund, Loan Portfolio, and Loan Servicing.

No action was required as this was an update to the Board on the Development Fund, Loan Portfolio, and Loan Servicing.

**III. Energy**

**A. Low Income Home Energy Assistance Program Service Provider for Marion County**

Chairman Brothers-Bridge recognized Taura Edwards who presented information regarding Low Income Home Energy Assistance Program Service Provider for Marion County.

**Background**

The Low Income Home Energy Assistance Program (“LIHEAP”) provides utility assistance to low-income households throughout the State of Indiana. The Program is funded by the U.S. Department of Health and Human Services. Heating benefits are provided between November and May, with the option to run a summer cool program between June and August. For the 2014 program year, Indiana received \$75 million and served an estimated 130,000 households. Funds are allocated according to a formula approved by the Board. According to the LIHEAP Act of 1981, service delivery may be conducted through any community based organization or state and local government entity. Traditionally in Indiana, service delivery is conducted by Indiana’s 23 community action agencies. Since 2012, with the appropriation of funds through the national mortgage foreclosure settlement (I.C. §4-12-1-14.5), the providers of LIHEAP also administer State LIHEAP funds in their federal LIHEAP service territories.

In program year 2012, IHCDA identified the need to increase the service capacity and operational efficiency of LIHEAP in Marion County. The Board approved the use of the John H. Boner Community Center (the “Boner Center”) to assist Community Action of Greater Indianapolis, Inc. (“CAGI”) in providing utility assistance to low income Hoosiers in 2012 for Marion County. Federal funding for EAP fluctuates yearly: Marion County receives between \$11 million and \$13 million and serves approximately 25,000 households annually. Since that time, IHCDA has identified the need to streamline service delivery from two providers to one and better coordinate community resources associated with client intake.

**Process**

IHCDA released a Request for Proposals (“RFP”) to identify a community based organization that could strategically coordinate community resources, centralize the client intake process, and provide effective customer service across Marion County. Centralizing the client intake process and coordinating community resources would include, but is not limited to: strategically coordinating a county-wide scheduling process, ensuring appointment availability for clients in need of immediate assistance, providing timely responses to customer service inquiries, and engaging community resources with similar services who serve the same clients as LIHEAP. The applicant must also ensure effective financial reporting, accurate distribution of utility payments, and timely obligation and expenditure of federal funds.

IHCDA notified both service providers in Marion County in July 2013 that an RFP would be released to effectively streamline service delivery. The RFP was posted to IHCDA’s website on February 24, 2014 and responses were due to IHCDA on April 17, 2014. In the response, applicants were required to provide: 1) service delivery plans; 2) staff development plans; 3) marketing and outreach plans; 4) an analysis of the organization’s capacity to administer

large scale benefit programs; 5) demonstration of past performance with EAP, IHCDAs funded programs, or other programs with similar mission and scale; and 6) identification of community based resources and partnerships. Each applicant was required to include memoranda of understanding from all identified community partners and resources as well as conduct a presentation of their service delivery plan before IHCDAs review team.

IHCDAs received two applications by the April 17<sup>th</sup> deadline: CAGI and the Marion County LIHEAP Consortium (the "Consortium"). The Consortium is a collaboration among United Way of Central Indiana, the Boner Center, and Connect2Help 2-1-1. The applications were reviewed and scored by a team of three IHCDAs staff: a Program Analyst from the Real Estate Department, a Program Analyst from Community Services, and a Program Analyst from Community Programs.

In addition to the written response, each applicant coordinated a two hour presentation for the review team as well as several members of IHCDAs Executive Staff. The presentations served to outline and describe in detail the applicants' plans for meeting the RFP requirements. The presentations included the applicants' key staff members that would coordinate service delivery, a presentation from program partners about their contributions to the process, and the comprehensive service delivery strategy for covering all of Marion County. Program partners and key stakeholders were present during each presentation, and IHCDAs was provided the opportunity to ask questions.

Based on the applications provided, the review team concluded that the Consortium provided the most detailed and effective strategy for service delivery in Marion County. The application included 24-hour call center service through Connect2Help 2-1-1, online appointment scheduling, an online document management system with real time application statuses, 29 community intake sites, over 54 mobile intake sites, and a mobile intake unit. The United Way of Central Indiana will serve as the fiscal agency and primary grantee, while the Boner Center will coordinate intake and Connect2Help 2-1-1 will coordinate calls and customer service.

Following discussion, a motion was made by Lu Porter to approve the Marion County LIHEAP Consortium as the primary service provider for the Low Income Home Energy Assistance Program in Marion County, as recommended by staff, which was seconded by Chris Conner. The motion passed by a majority of the vote with one abstention by Pat Gamble-Moore.

**RESOLVED**, that the Board approve the Marion County LIHEAP Consortium as the primary service provider for the Low Income Home Energy Assistance Program in Marion County, as recommended by staff.

#### **IV. Finance**

##### **A. Copper Gate Multi-Family Bond Documents Amendment**

Chairman Brothers-Bridge recognized Blake Blanch who presented information regarding Copper Gate Multi-Family Bond Documents Amendment.

##### **Background**

In December 2013, IHCDAs served as the conduit bond issuer for Copper Gate Apartments, a 128 unit apartment complex in Lafayette, Indiana. As a reminder, the Authority has no financial liability for these bonds. The developer is now requesting an amendment to the bond documents on behalf of an investor in the bonds.

##### **Process**

The sole bond holder has asked to change the method that the bonds are held. Typically, bonds are sold and are held electronically, meaning no physical bond is delivered to the bondholder which is similar to how stocks are held. The developer would like to amend the documents to allow for the delivery of a physical bond to the bondholder in lieu of the electronic holding and to change the interest payments from semi-annual to monthly. The bondholder will still own the bonds and the developer will still owe on the bonds.

Although this appears to be a minor change, the Authority is required to approve such changes.

Following discussion, a motion was made by Chris Conner to approve amending the Copper Gate Apartments bond documents pursuant to the resolution attached hereto as Exhibit A, as recommended by staff, which was seconded by Mark Pascarella; the motion passed unanimously:

**RESOLVED**, that the Board approve amending the Copper Gate Apartments bond documents pursuant to the resolution attached hereto as Exhibit A, as recommended by staff.

**V. Asset Preservation**

**A. Blight Elimination Program – Division One Funding Recommendation**

Chairman Brothers-Bridge recognized Rayanna Binder who presented information regarding Blight Elimination Program – Division One Funding Recommendation.

**Background**

The U.S. Department of the Treasury (“Treasury”) established the Housing Finance Agency Innovation Fund for the Hardest Hit Markets (“Hardest Hit Fund”, “HHF”) to provide financial assistance to families in the states most impacted by the downturn of the housing market. Indiana was awarded over \$221 million to help unemployed homeowners pay their mortgage.

Treasury has acknowledged a connection between the demolition of blighted residential properties and the stabilization of community property values. To facilitate the demolition of blighted properties, Treasury is allowing HHF recipients to seek permission to use a portion of their HHF awards to demolish blighted and abandoned properties. Indiana has requested and received authority to use \$75 million of its HHF allocation to demolish blighted and abandoned homes in a comprehensive state wide program.

IHCDA engaged in an active discussion with Treasury to establish acceptable program parameters and guidelines for a blight elimination program. IHCDA and the Treasury have successfully negotiated a Term Sheet (attached hereto as Exhibit B), and on January 23, 2014, the Board passed a resolution allowing for the creation of the HHF Blight Elimination Program (“BEP”). The approved terms of BEP create a competitive application process which will allow for the acquisition and demolition of one to four unit residential structures up to an allowable cost of \$25,000 per property. (See Application, attached hereto as Exhibit C.)

**Process**

The state has been divided in to six funding divisions. A pool of BEP funds was made available to each Division based on the percentage of the state’s population contained within the given Division. A competitive application process was organized to facilitate the allocation of funds within each Division. The application packet was released on February 7, 2014.

Division One consists of Lake and Marion counties and was allocated \$16,192,500.00 in BEP funding. The deadline for Division One applications was April 1, 2014. IHCDA received five Division One applications.

<b>Applications Received</b>		<b>Award Recommendations</b>	
<b>Number</b>	<b>Amount Requested</b>	<b>Number</b>	<b>Amount Recommended</b>
5	\$15,084,000	5	\$16,113,000 <sup>1</sup>

<sup>1</sup> Includes property maintenance fee of \$1,000 per \$15,000 tier unit for three years.

The following Division One cities and towns tendered applications for consideration:

<b>County</b>	<b>Applicant</b>	<b>Application Number</b>
Lake	East Chicago	2014D1-BEP-001
Lake	Gary	2014D1-BEP-002
Lake	Hammond	2014D1-BEP-003
Marion	Indianapolis	2014D1-BEP-004
Marion	Lawrence	2014D1-BEP-005

Applications were self-scored. Each BEP application score was then reviewed and verified by IHEDA Asset Preservation staff based upon the requirements outlined in the BEP application packet. Applications were checked for completeness and threshold requirements.

<b>East Chicago</b>	<b>2014D1-BEP-001</b>
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**Project Summary**

East Chicago is seeking an award of \$1,314,000.00 to acquire, demolish, and facilitate an end use of 62 blighted, residential structures. East Chicago has proposed focusing its demolition efforts in the Indiana Harbor and Calumet target areas because that will complement the city’s existing efforts to foster the restoration of these areas and stabilize or increase the value of the target areas and neighborhoods throughout the city.

**Project Name:** HHF BEP – East Chicago

**Unit Request:**

**\$15,000 Tier Units:** 9

**\$25,000 Tier Units:** 53

**Total Units:** 62

**Total Funding Request:** \$1,314,000

**Maintenance Fee Request:** \$27,000

**Amount Recommended:** \$1,341,000

**Pledged Match:** \$146,000 Cash Contribution – Gaming Proceeds

**Activity:** Acquisition and Demolition

**Award Type:** Blight Elimination Program Loan

**Project Summary**

Gary is seeking an award of \$6,645,000.00 to acquire, demolish, and facilitate an end use of 379 blighted, residential structures. Gary has proposed focusing its demolition efforts in five target areas. Those areas include University Park, Midtown, Tolleston, the far westside (Black Oak/Tarrytown), and the area of the Gary Northside Redevelopment Project. Gary intends to apply its BEP award to a strategically crafted two phase approach. The first will address the demolition of blighted residential structures on otherwise stable blocks. The second phase will address the demolition of blighted structures surrounding and threatening to impact stable neighborhoods. Gary's demolition approach is intended to buoy property values in areas of relative stability and halt the decline of property values in neighborhoods throughout Gary.

**Project Name:** HHF BEP – Gary

**Unit Request:**

**\$15,000 Tier Units:** 283  
**\$25,000 Tier Units:** 96  
**Total Units:** 379

**Total Funding Request:** \$6,645,000

**Maintenance Fee Request:** \$849,000

**Amount Recommended:** \$7,494,000

**Pledged Match:** \$50,000 Cash Contribution – NIPSCO  
 \$168,000 Matching Grant – Green Urbanism  
 \$400,000 New Construction – Fuller Center for Housing  
 \$50,000 New Construction – Habitat for Humanity

**Activity:** Acquisition and Demolition

**Award Type:** Blight Elimination Program Loan

**Project Summary**

Hammond is seeking an award of \$615,000.00 to acquire, demolish, and facilitate an end use of 25 blighted, residential structures. Hammond has proposed focusing its demolition efforts in North, Central, and East Hammond. Hammond believes offering the newly vacant lots to neighbors as side yards will help enhance the visual appeal of city blocks by replacing blighted structures with green space. Hammond believes its end use strategy will halt the continued decline of property values in the target areas.

<b>Project Name:</b>	HHF BEP – Hammond
<b>Unit Request:</b>	
<b>\$15,000 Tier Units:</b>	1
<b>\$25,000 Tier Units:</b>	24
<b>Total Units:</b>	25
<b>Total Funding Request:</b>	\$615,000
<b>Maintenance Fee Request:</b>	\$3,000
<b>Amount Recommended:</b>	\$618,000
<b>Pledged Match:</b>	\$61,500 Cash Donation – Gaming Proceeds
<b>Activity:</b>	Acquisition and Demolition
<b>Award Type:</b>	Blight Elimination Program Loan

**Project Summary**

Indianapolis is seeking an award of \$6,390,000.00 to acquire, demolish 336 residential structures which are a mix of single family and condominium units. Indianapolis has spread its program focus throughout the city to coincide with existing or planned redevelopment and reinvestment projects.

**Project Name:** HHF BEP – Indianapolis

**Unit Request:**

**\$15,000 Tier Units:** 201  
**\$25,000 Tier Units:** 135  
**Total Units:** 336

**Total Funding Request:** \$6,390,000.00

**Maintenance Fee Request:** \$141,000.00  
 (Represents property maintenance fees for the 47 single family units.)

**Amount Recommended:** \$6,531,000.00

**Pledged Match:**

<u>Organization</u>	<u>Project</u>	<u>Amount</u>	<u>Leverage</u>
East 10 <sup>th</sup> Street Civic Assoc.	Cottage Home Lofts-Infrastructure	\$150,000	\$2,888,000
East 10 <sup>th</sup> Street Civic Assoc.	Cottage Home Lofts	\$300,000	\$0
Englewood CDC	Mallory Campus	\$1,000,000	\$6,919,110
Indy-East Asset Development	Homeownership	\$560,000	\$1,448,001
Towne Terrace	Demolition	\$75,000	\$0
Renew Indianapolis	Market/Vetting Contracts	\$110,000	\$0
Mapleton Fall Creek Dev. Corp.	Façade Improvement	\$375,000	\$1,280,000
Near North Development Corp.	Harbor Terrace	\$550,000	\$1,074,267
Riley Area Development Corp.	Willard Park Green Space	\$83,000	\$138,579
Riley Area Development Corp.	Willard Park Home Ownership	\$250,000	\$0
Riley Area Development Corp.	Pershing Rental	\$300,000	\$141,905

**Activity:** Acquisition and Demolition

**Award Type:** Blight Elimination Program Loans

**Project Summary**

Lawrence is seeking an award of \$120,000.00 to acquire and demolish six residential structures as part of its "Operation Renewal". Lawrence believes the demolition of the six blighted structures will make way for new housing alternatives including two Habitat for Humanity homes. Lawrence believes the development of new housing options with increase property values for current home owners.

<b>Project Name:</b>	HHF BEP – Lawrence
<b>Unit Request:</b>	
<b>\$15,000 Tier Units:</b>	3
<b>\$25,000 Tier Units:</b>	3
<b>Total Units:</b>	6
<b>Total Funding Request:</b>	\$120,000
<b>Maintenance Fee Request:</b>	\$9,000
<b>Amount Recommended:</b>	\$129,000
<b>Pledged Match:</b>	\$120,000 New Construction – Habitat for Humanity
<b>Activity:</b>	Acquisition and Demolition
<b>Award Type:</b>	Blight Elimination Program Loans

Following discussion, a motion was made by David Miller to approve the recommended Division One Blight Elimination Program awards in an aggregate amount not to exceed \$16,113,000.00, as outlined above and used in compliance with the Blight Elimination Program Term Sheet and Program requirements as outlined in the Application, as recommended by staff, which was seconded by Mark Pascarella; the motion passed unanimously:

**RESOLVED**, that the Board approve the recommended Division One Blight Elimination Program awards in an aggregate amount not to exceed \$16,113,000.00, as outlined above and used in compliance with the Blight Elimination Program Term Sheet and Program requirements as outlined in the Application, as recommended by staff.

**VI. Other Business**

Before moving on to the Executive update, Chairman Brothers-Bridge asked Jonathan Ehlke to stand and gave him accolades for his presentation on the Greencastle Public Parking Lots and Storm Water Retention System. Chairman Brothers-Bridge thanked Jonathan, IHCDA staff, IHCDA Board members, and the Mayor of Greencastle and her team for all of the hard work that went into bringing this difficult project to the Board as a viable plan.

## **VII. Executive**

Chairman Brothers-Bridge recognized Jake Sipe who presented an update to the Board on Executive matters.

### **A. Mental Health America of Vigo County Annual Meeting**

Jake informed the Board that Rodney Stockment had been asked to speak at the Mental Health America of Vigo County's annual meeting wherein he was given an award for his outstanding dedication to creating the Indiana model for supportive housing. While Rodney was at the Continuum of Care Board meeting, Jake, the Board, and those present recognized Rodney for his service.

### **B. Indiana Affordable Housing Council Evaluation of Next Home Program**

Jake told the Board that IHCD has requested the Indiana Affordable Housing Council ("IAHC") to evaluate the effectiveness of IHCD's Next Home Program ("Next Home"). Next Home set records in March and April. Currently, Next Home is available in 33 Indiana counties for Hoosiers up to 140% of the area median income ("AMI"). Indiana Code gives IHCD the authority to expand to the remaining 59 counties. Before expanding Next Home, IHCD feels it is important to conduct the market study which will evaluate the effectiveness of the Program for qualified single family borrowers between 125% to 140% AMI.

### **C. Energy Initiative Presentation to Governor Pence**

With the Energize Indiana ending, IHCD has prepared a holistic energy initiative presentation for Governor Pence which was set for the afternoon after the Board meeting. The presentation will touch on the following key points:

- Preparing homes with health and safety issues for IHCD's current weatherization program.
- Home ownership and preservation:
  - Regulating energy loan funds to promote home ownership.
  - Building on lots created by the Blight Elimination Program and preparing empty homes for occupancy using energy efficient building practices, appliances, etc.
- Increasing building and occupancy will, in turn, increase the tax roll.
- Offering low interest loans, as opposed to grants, for citizens who are over the area median income and, therefore, do not qualify for IHCD's weatherization program, to make repairs their home to make the house more energy efficient.

### **D. Multi-Family Lending Product**

IHCD staff has been working on a multifamily lending product for developments with less than 24 units to obtain permanent financing. Staff plans to bring the product to the Board for approval in June.

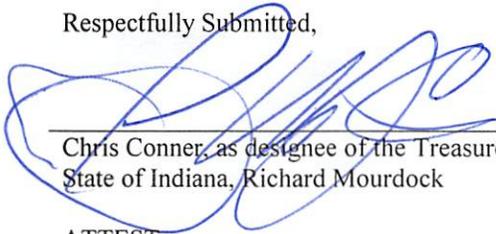
### **E. Speaking Engagements**

Jake gave the Board an update on multiple events including:

1. Near East Area Renewal ("NEAR") f/k/a Indy-east Asset Development Annual Community Lunch – Jake was the key-note speaker.
2. Midwest Rural Housing Summit – Jake attended the Summit which was held in Columbus, Ohio. Jake informed the Board that this was an excellent opportunity for open dialog with other states especially on the demand for tax credits and challenges of rural development preservation. He is also looking to create a partnership with the Affordable Housing Association of Indiana and will begin attending their quarterly meetings.
3. Walnut Commons, Muncie – Jake will be attending the groundbreaking on May 29<sup>th</sup>.

There being no further business a motion was made by Pat Gamble-Moore to adjourn the meeting, which was seconded by Mark Pascarella; the motion passed unanimously and the meeting was adjourned at 11:28 a.m.

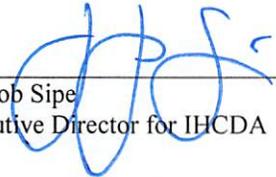
Respectfully Submitted,



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Chris Conner, as designee of the Treasurer of the  
State of Indiana, Richard Mourdock

ATTEST:



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J. Jacob Sipe  
Executive Director for IHCD

**RESOLUTION OF THE  
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
CONCERNING THE  
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2013  
(COPPER GATE APARTMENTS PROJECT)**

WHEREAS, the Indiana Housing and Community Development Authority (the "Authority") is a public body corporate and politic of the State of Indiana (the "State"), created and existing under the authority of Title 5, Article 20, Chapter 1, of the Indiana Code, as amended (the "Act"). The Indiana General Assembly in 1978 found and declared to be a matter of legislative determination and made further findings that: (i) there has existed in the State a need for safe and sanitary residential housing within the financial means of low and moderate income persons and families, a need which if unmet, is a threat to the health, safety, morals, and welfare of State residents and which will require an excessive expenditure of public funds for the social problems thus created; (ii) private enterprise and investment is more adequately able to produce the needed construction of decent, safe, and sanitary residential housing at prices or rentals which persons and families of low and moderate income can afford, or to achieve the urgently needed rehabilitation of much of the present low and moderate income housing; (iii) the provision of decent, safe, and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at costs they could afford is a valid public purpose for which public moneys may be spent; and (iv) the provision of money for mortgage loans through the issuance of mortgage-backed bonds, notes, or other securities will assist in meeting the needs identified in the Act; and

WHEREAS, in a case challenging the constitutionality of the Act, the State Supreme Court has determined that the Act comports with the constitution of both the State and the United States of America and that the financing of housing for persons and families of low and moderate income pursuant to the Act is a valid and constitutional public purpose; and

WHEREAS, pursuant to the Act, the Authority has all the powers necessary or convenient to make or participate in the making of construction loans to sponsors of multiple family residential housing; and

WHEREAS, Lafayette Leased Housing Associates II, Limited Partnership, a Minnesota limited partnership (the "Borrower") previously submitted an application, materials and other information to the Authority requesting that the Authority make a loan to the Borrower through the issuance of revenue bonds to assist in the financing of the acquisition and renovation by the Borrower of the 128 unit multifamily rental housing facility located at 3140 Coppergate Circle in the City of Lafayette, Indiana (the "Project"); and

WHEREAS, the Authority has previously adopted a resolution on November 21, 2013 (the "Original Resolution") authorizing the issuance of its Multifamily Housing Revenue Bonds, Series 2013A (Copper Gate Apartments Project) and its Subordinate Multifamily Housing Revenue Bonds, Series 2013B (Copper Gate Apartments Project) (collectively, the "Bonds") for the purpose of financing the Project (as defined in the Original Resolution); and

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WHEREAS, the Authority entered into an Indenture of Trust, by and between the Authority and U.S. Bank National Association, dated as of December 1, 2013 (the "Indenture") and a Loan Agreement, by and between the Authority and the Borrower, dated as of December 1, 2013 (the "Loan Agreement") (collectively, the "Bond Documents") for the purposes of implementing the purposes of the Original Resolution; and

WHEREAS, the Borrower desires to amend the Bond Documents for the purposes of removing the Bonds from the book-entry system registration of Cede & Co., as the nominee of The Depository Trust Company in order to place the Bonds in a trust and in connection with such removal, amending the Interest Payment Dates (as defined in the Indenture) for the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY THAT:

1. The Authority hereby approves the substantially final forms of the First Amendment to the Indenture (the "First Amendment") and the First Amendment to the Loan Agreement (the "Amended Loan Agreement" and together with the First Amendment, the "Amended Bond Documents"). The forms of the Amended Bond Documents presented hereby are substantially final forms and the Authority hereby authorizes the Chairman, the Executive Director and the Chief Financial Officer (the "Authorized Officers"), or any one of them individually, with the advice of counsel to the Authority, to execute and deliver the Amended Bond Documents to which they are a party with such changes in form or substance as may be necessary or appropriate to accomplish the purposes of this Resolution as shall be approved by the Authorized Officers, such approvals to be conclusively evidenced by the execution thereof or certification as applicable.

2. The Authority hereby delegates to the Authorized Officers the authority to execute and deliver the Amended Bond Documents provided that any of the Authorized Officers acting alone is authorized and has full power to execute and deliver the Amended Bond Documents, as appropriate, and hereby authorizes the Authorized Officers to take such further actions necessary and appropriate.

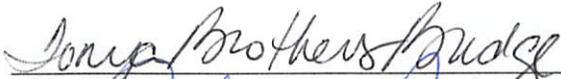
3. The Authorized Officers are each authorized to execute such other documents and to take any and all other actions on behalf of the Authority as may be necessary or appropriate to carry out and implement the purposes of this Resolution, including the execution and delivery of any certificates or other agreements in connection therewith.

\* \* \* \* \*

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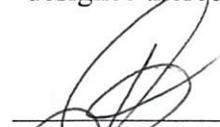
APPROVED AND ADOPTED this 22<sup>nd</sup> day of May 2014, in Indianapolis, Indiana.

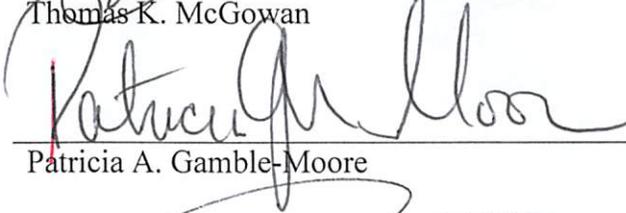
INDIANA HOUSING AND COMMUNITY  
DEVELOPMENT AUTHORITY

By:   
Sue Ellspermann, Chair, or her designee

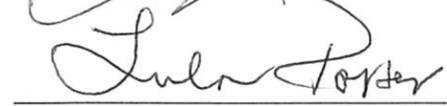
By:   
Richard Mourdock, Vice Chair, or his designee

By:   
Public Finance Director of the State of Indiana, or  
designee thereof

By:   
Thomas K. McGowan

By:   
Patricia A. Gamble-Moore

By:   
David Miller

By:   
Lula Porter

ATTEST:

By:   
J. Jacob Sipe  
Interim Executive Director

**SERVICE SCHEDULE B-4**

**Indiana  
Hardest Hit Fund Blight Elimination Program**

**Summary Guidelines**

<b>1) Program Overview</b>	Under Indiana's Hardest Hit Fund Blight Elimination Program ("BEP") the Indiana Housing and Community Development Authority ("IHCDA") will work with applicants and their Program Partners ( <i>i.e.</i> , nonprofit entities ("NFPs"), community development corporations ("CDCs"), land banks and/or for-profit entities) to strategically target residential properties for demolition and greening within the state of Indiana.
<b>2) Program Goals</b>	The goal of the BEP is to decrease foreclosures, stabilize homeowner property values and increase neighborhood safety in communities across the state of Indiana through the demolition and greening of vacant, abandoned and blighted residential properties. IHCDA will work with applicants and their Program Partners to identify meaningful indicators that will enable them to track and quantify the BEP's impact in the designated communities.
<b>3) Target Population / Areas</b>	Municipalities located within the state of Indiana ("Applicants") will be eligible to apply for BEP property eligibility through a competitive application process. Each Applicant will apply in one of six population divisions based on the population of the county in which the Applicant is located.
<b>4) Program Allocation (Excluding Administrative Expenses)</b>	\$75,000,000
<b>5) Property Eligibility Criteria</b>	IHCDA will determine property eligibility.  Each property for which an Applicant requests blight elimination funding will be individually scored based on factors including, but not limited to: <ul style="list-style-type: none"><li>• Inhabitability of Property</li><li>• Structural Damage</li><li>• Public Safety Impact</li></ul> Properties will be evaluated using a scoring matrix created by IHCDA and will be required to meet a minimum threshold score to be targeted for receipt of blight elimination funds.

<b>6) Property / Loan Eligibility Criteria</b>	<p>Vacant, abandoned and blighted residential properties located in Indiana.</p> <p>A Program Partner must hold title to the property.</p>
<b>7) Program Exclusions</b>	<p>Commercial structures.</p> <p>Properties listed on a national, state, or local historic register.</p>
<b>8) Structure of Assistance</b>	<p>IHCDA will determine project sites in direct consultation with Applicants.</p> <p>Program Partners will be responsible for property acquisition (if necessary), demolition work and on-going property stabilization.</p> <p>Applicants must submit in their application to IHCDA for BEP funds, information including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• A full and complete list of all properties the applicant seeks to make eligible</li> <li>• Acquisition information</li> <li>• The Program Partner responsible for the property</li> <li>• The post-demolition goal for each lot</li> <li>• Demolition bids from licensed contractors that include the removal of all debris, the backfill of basements or cellars, and any necessary environmental remediation</li> </ul> <p>Upon receipt of appropriate documentation confirming the completion of BEP activities, IHCDA will provide Hardest Hit funding to Partner after Partner's execution of a secured lien mortgage and note for a maximum of \$25,000 in favor of IHCDA.</p> <p>Total assistance will include acquisition (if necessary), demolition, and property stabilization costs. Property stabilization costs will be a maximum of \$1,000 per year for a term of three years.</p> <p>The secured lien mortgage and notes will be structured as zero percent, non-amortizing loans, secured by a lien on the property. Loans will expire three years after their origination date ("Expiration Date"). Prior to the Expiration Date, loans will be forgiven at a rate of 33.3% per annum as long as covenants are met.</p> <p>The outstanding loan balance will become due and payable if a property is sold or title transferred, or unauthorized use prior to the Expiration Date. The method for calculating the outstanding balance will be determined based upon the time and method of transfer. The</p>

	<p>outstanding balance may include any and all net sale proceeds and/ or the full principal balance of the loan. Prior to the Expiration Date, all proceeds will be due and payable to IHCDA. All proceeds returned to the IHCDA from the BEP may be recycled until December 31, 2017; thereafter, the funds must be returned to Treasury.</p> <p>Special considerations may be made by IHCDA to release or subordinate its lien prior to expiration based upon the merit of the request and the proposed positive economic impact to the community as set forth in the program guidelines.</p>
<b>9) Per Household Assistance</b>	Maximum of \$25,000 per property, which includes the costs of acquisition (if necessary), demolition and property stabilization for a period of 3 years.
<b>10) Duration of Assistance</b>	One-time assistance per property
<b>11) Estimated Number of Participating Households</b>	IHCDA estimates that between 3000 and 5000 properties could be served under this program.
<b>12) Program Inception / Duration</b>	IHCDA anticipates program roll-out during the first quarter of 2014. Based on anticipated demand, funds allocated to BEP will likely be exhausted by the end of 2016.
<b>13) Program Interaction with Other Programs (e.g. other HFA programs)</b>	Property will only be eligible for one IHCDA Hardest Hit Fund Program.



## Application Process

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### Overview

The purpose of this application is to provide subsidies in the form of loans to selected applicants for the acquisition and demolition of blighted and/or abandoned residential structures with one to four units. Through this program, IHCD in conjunction with approved applicants, will demolish blighted properties, offer a variety of end uses for the newly cleared residential lots, stabilize residential property values and prevent foreclosures in Indiana neighborhoods and communities.

The Blight Elimination Program ("BEP") is designed to allocate Hardest Hit Funds ("HHF") to be used for the demolition and/or acquisition and demolition of blighted one to four unit residential structures by selected applicants having applications that meet the requirements of the BEP and IHCD's goals for the BEP.

This Application Packet, supporting forms, and additional information about the BEP may be located at [www.877GetHope.org/blight](http://www.877GetHope.org/blight) or [www.in.gov/ihcda/2340.htm](http://www.in.gov/ihcda/2340.htm).

An applicant must:

1. Demonstrate the need to demolish blighted and/or abandoned residential structures to stabilize neighborhood property values and prevent foreclosures.
2. Be prepared to proceed with the activities outlined in the application upon receipt of the award.
3. Propose to stabilize existing neighborhoods and prevent foreclosures through the demolition of blighted and/or abandoned residential structures, preferably through a comprehensive approach (i.e. demolishing residential structures in a concentrated area or block by block as part of a community revitalization or economic development plan).
4. Propose projects that promote a recognized and approved end use of the lots post demolition.
5. Propose demolition strategies involving a licensed contractor (where applicable), removal of all waste, disposal of waste in a state licensed landfill and backfill of all basements and cellars using clean fill dirt.
6. Propose demolition strategies involving salvage and deconstruction of the residential properties prior to demolition when appropriate.
7. Propose the use of state certified Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Federal Disadvantaged Business Enterprises (DBE), Veteran-Owned Small Businesses (VOSB), and/or Service Disabled Veteran Owned Small Businesses (SDVOSB) contractors, employees and products when applicants are planning and undertaking their demolition activities.

### Funding Divisions

The State of Indiana has been divided in to six funding divisions to facilitate implementing the BEP. Applicants will apply to the Funding Division in which their county is located. A potential applicant should verify their Funding Division to determine the applicable BEP deadlines.

An applicant wishing to receive BEP funding must apply. No applicant will receive funds without tendering a completed application. Submission of an application does not guarantee that an applicant will receive an award. The BEP is a competitive program. The highest scoring applications from each Division will receive awards. IHCD reserves the right to partially fund an application.

## Exhibit B

**Division One**

Division One consists of Lake and Marion Counties.

**Division Two**

Division Two consists of Allen, Hamilton and St. Joseph Counties.

**Division Three**

Division Three consists of Clark, Delaware, Elkhart, Hendricks, Johnson, LaPorte, Madison, Monroe, Porter, Tippecanoe, Vanderburgh and Vigo Counties.

**Division Four**

Division Four consists of Bartholomew, Boone, Dearborn, Floyd, Grant, Hancock, Howard, Kosciusko, Morgan, Warrick and Wayne Counties.

**Division Four**

Division Five consists of Adams, Cass, Clay, Clinton, Daviess, Decatur, DeKalb, Dubois, Gibson, Green, Harrison, Henry, Huntington, Jackson, Jasper, Jefferson, Jennings, Knox, LaGrange, Lawrence, Marshall, Miami, Montgomery, Noble, Posey, Putnam, Randolph, Ripley, Shelby, Steuben, Wabash, Washington, Wells and Whitley Counties.

**Division Six**

Division Six consists of Benton, Blackford, Brown, Carroll, Crawford, Fayette, Fountain, Franklin, Fulton, Jay, Martin, Newton, Ohio, Orange, Owen, Parke, Perry, Pike, Pulaski, Rush, Scott, Spencer, Starke, Sullivan, Switzerland, Tipton, Union, Vermillion, Warren and White Counties.

Allocation				
Division	Total Population	Percentage of State Population	Percentage	Allocation in Millions
Division One	1,406,854	0.21587707	21.59	16,192,500
Division Two	907,837	0.13930457	13.93	10,447,500
Division Three	1,728,962	0.26530347	26.53	19,897,500
Division Four	759,293	0.11651098	11.65	8,737,500
Division Five	1,215,296	0.18648313	18.65	13,987,500
Division Six	498,680	0.07652079	7.65	5,737,500



Round One Funding Timeline

Note: This is an anticipated schedule and is subject to change or extension.

Application Available	February 7, 2014	
Application Webinar	February 13, 2014	(Division One)
	March 7, 2014	(Division Two)
	April 4, 2014	(Division Three)
	June 6, 2014	(Division Four)
	July 7, 2014	(Division Five)
	August 8, 2014	(Division Six)
Application Due Date	March 17, 2014	(Division One)
	April 21, 2014	(Division Two)
	May 19, 2014	(Division Three)
	July 21, 2014	(Division Four)
	August 18, 2014	(Division Five)
	September 15, 2014	(Division Six)
Award Announcements	April 28, 2014	(Division One)
	May 22, 2014	(Division Two)
	June 26, 2014	(Division Three)
	August 28, 2014	(Division Four)
	September 25, 2014	(Division Five)
	October 23, 2014	(Division Six)

**Application Webinar**

An application webinar will be conducted prior to application deadline for each Funding Division. During the webinar, the Program Director, IHCDA and HHF staff will review the application requirements, threshold criteria, application scoring and how to complete the required forms. Potential applicants are *strongly encouraged* to attend.

**Technical Assistance**

The potential applicant may, but is not required, to schedule a technical assistance meeting with the Program Director, an IHCDA or HHF staff member to discuss the application, associated forms and/or supporting documentation. Technical assistance meetings may be completed by conference call or in person at the discretion of the Program Director and IHCDA.

Technical assistance may be required at IHCDA's discretion if the recipient does not have experience with IHCDA awards or if past performance was poor. Applicants are urged to contact the Program Director or their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.



**Application Submission**

The applicant must submit the following items to the Director of the BEP Program:

- Via email:
  - One completed copy of the final application forms
  - All of the supporting documents required
- Via hard copy:
  - One completed copy of the final application forms with original signatures

All required application items are due no later than 5:00 p.m. Eastern Standard time on or before the due date specified for the applicant’s Funding Division. Applications received after the deadline will be rejected and returned to the applicant via certified mail. Faxed applications will not be accepted.

The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority  
 ATTN: Rayanna Alexander Binder  
 RE: BEP Application  
 30 South Meridian Street, Suite 1000  
 Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

IHCDA will provide the applicant contact with a confirmation number within one (1) week of receipt of the application.

**Application Review**

Applications are reviewed in a three-step process:

Step One - Completeness      On or before the application deadline, the applicant must provide all required documents, signatures and attachments.

Step Two - Threshold      An application must meet each of the applicable threshold criteria. After initial threshold review, the Program Director, IHDCDA or HHF staff may send a letter to the application contact requesting clarification of information contained in the pending application. The applicant will have the opportunity to respond on or before the response deadline provided by IHDCDA. If the applicant does not respond to the clarification letter and therefore threshold item(s) are still in question, the application will be disqualified. Points will be awarded to those applications where no clarifications are required.



### Step Three - Scoring

All applications are self-scoring. The applicant will score its application as a part of the application process. Applications that pass the completeness and threshold reviews are then scored by IHCDA according to IHCDA's published scoring criteria. If the applicant's self-score and the IHCDA score differ the application will be referred to the Advisory Committee. Review of an application by the Advisory Committee is discretionary. If the Advisory Committee reviews an application, it will make a recommendation concerning appropriate scoring for the proffered application.

IHCDA will make the final determination of all scores, successful applicants and awards. All awards are subject to approval by the IHCDA Board.

Funded and/or partially funded applications will be announced at the published IHCDA Board Meeting date or thereafter. Confirmation letters will be sent to all successful applicants. Applicants with unfunded applications will be notified by IHCDA via a denial letter. Unsuccessful applications will not be rolled over to the next funding round.

#### **Award Compliance Training**

The Program Director, IHCDA or HHF staff will offer a compliance training session for each Funding Division. Topics covered will include award dispersal, record keeping, and necessary reporting. One-on-one award training may be provided at the discretion of IHCDA.

Applicants that have failed to properly administer a prior IHCDA program award may be required to undergo award compliance training.

#### **Participation Agreements**

All successful applicants will be required to execute a participation agreement. The participation agreement will set forth the applicant's obligations and outline the events that may constitute a successful applicant's default under the terms of the BEP. Program partners will also be required to execute a participation agreement.

#### **Compliance Test**

All successful applicants will be required to demolish a sample set of properties. The demolition of the sample set will serve as a compliance test. The Program Director, IHCDA or HHF staff will verify that the applicant has complied with the demolition criteria set forth in the application packet and participation agreement. The Program Director, IHCDA or HHF staff may review the program participant's award dispersal, record keeping and reporting as part of the compliance test.

#### **Program Awards**

Applicants receiving an award will make draws on the award by submitting invoices to the Data Management System (DMS). Funds for approved invoices will be transferred to a bank account designated for the BEP.

Each successful applicant must set up and maintain a bank account ("BEP Account") for use in conjunction with the BEP. The BEP Account may only be used to receive BEP funds and pay approved



invoices associated with approved BEP activities. IHCDA reserves the right to audit an applicant's BEP Account at any time and for any reason.

Each successful applicant will be responsible for reporting BEP progress to IHCDA. All successful applicants and program partners will be required to assist IHCDA in reporting to the United States Department of the Treasury during the course of the BEP. The forms and requirements for reporting may be subject to change.

A successful applicant may be requested to provide the following information: (1) information concerning pre and post demolition conditions in the target areas; (2) information about program partners; (3) information about foreclosure filings in the target areas; (4) information relevant to real estate sales in the target area; and information about the impact of the BEP in the target area.

The list set out above is not an exhaustive list and only serves to provide examples of the information that IHCDA may request. Program Partners may be requested to provide similar types of information.

All successful applicants and their respective program partners must use their full BEP allocation within eighteen (18) months of receiving formal notification of an award. Status reports will be required at three (3), six (6), nine (9), twelve (12), fifteen (15) and eighteen months (18). All funds not used within eighteen (18) months will be de-obligated. De-obligated funds will be recycled back into the BEP.



## Eligible Applicants

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### **Eligible Applicants**

Eligible applicants include cities, towns, counties or other units of local government that are located in Indiana.

### **Program Partners**

Private organizations including faith-based organizations, for profit entities, not for profit entities (“NFPs”), community development corporations (“CDCs”), home owner associations (“HOAs”), economic development entities and land banks may not apply for BEP funds. The entities listed above may serve as Program Partners. These entities may work with applicants to complete applications, reporting, record keeping or administrative functions.

A Program Partner is required to hold title to all lots prior to demolition. Each applicant must have at least one Program Partner to hold title to the lots. Applicants may elect to work with one Program Partner or several Program Partners.

All Program Partners must complete a participation agreement. An applicant with questions concerning a proposed Program Partner should contact the Program Director or an HHF staff member.

Applicants may be held accountable for the actions of their Program Partners including a breach of the participation agreement. For this reason applicants should select their Program Partners with extreme care.

### **Ineligible Applicants**

IHCDA reserves the right to disqualify from funding any application that has either an applicant, sub-recipient, administrator, preparer, Program Partner or related parties if any of the aforementioned has a history of disregarding the policies, procedures, or staff directives associated with administering any program administered by IHCDA or programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, or the Federal Home Loan Bank.

Any entity currently on IHCDA’s suspension or debarment list is ineligible to submit an application.

### **Religious and Faith-Based Organizations**

Organizations that are religious or faith-based are eligible to participate in the BEP as a Program Partner.

A religious organization that participates in the BEP will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct BEP funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, a BEP-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization’s name, select its board members on a religious basis, and include religious references in its organization’s mission statements and other governing documents. An organization that participates in the BEP program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.



## Eligible Activities & Program Requirements

### Eligible Activities

This program is intended to stabilize property values in Indiana neighborhoods and prevent foreclosures. BEP funds may only be used for the acquisition and demolition of one to four unit residential structures that are blighted and/ or abandoned. Residential structures located on any real property purchased with BEP funds must be demolished.

- BEP funds may be used to demolish blighted and/or abandoned residential properties with one to four units. Demolition must be completed by licensed contractors (where required). All debris resulting from demolition must be removed and deposited in state licensed landfills. Clean fill dirt must be provided to fill any basements, cellars or crawl spaces.
  - A chart of eligible activities associated with demolition and the extent to which the expenses may be paid with BEP awards is attached hereto and incorporated herein.
- BEP funds may be used to acquire properties for the purpose of demolishing the residential structures located on that parcel. Properties may be purchased from third parties, at tax sale, at sheriff sale, or through the purchase of an outstanding tax sale certificate. This list is not an exclusive list of the means through which property may be acquired for demolition. No more than \$25,000.00 may be spent on the acquisition and demolition of any one qualifying property.
- Title to all properties must be held by a Program Partner prior to demolition. Demolition activities may not commence until title to the real property is held by a Program Partner.
- All approved acquisition and demolition activities must occur within eighteen (18) months of an applicant receiving an award. Award funding not used within eighteen (18) months will be de-obligated. De-obligated funds will be returned to the BEP.
- Manufactured or mobile homes are eligible for acquisition and demolition using a BEP award if and only if the manufactured or mobile home meets the terms of the BEP and is affixed to the real estate.

### Activity Costs

Eligible acquisition and demolition activities **do not** include:

- The combined total of acquisition costs, demolition costs and approved expenses for a structure without a basement should not exceed \$15,000.00. Applicants may seek a waiver to exceed the \$15,000.00 limit. A waiver request must be submitted in writing prior to an applicant incurring the expenses.
- Any amounts exceeding \$15,000.00 will be paid at the discretion of IHCDA. No such sums will be paid without the submission of a written waiver request and the prior approval of IHCDA.
- The combined total of acquisition costs, demolition costs, approved expenses, and property maintenance fees for a structure with a basement may not exceed \$25,000.00. Applicants may not seek a waiver to exceed this limit.
- The total of the demolition costs, acquisition costs, approved expenses and property maintenance fees for any one eligible property may NOT exceed \$25,000.00. No exceptions will be made.

### Ineligible Activities

- Realtor's fees in excess of six (6) percent may not be paid for the acquisition of any qualifying property if the acquisition is made with a BEP award.



- Administrative and/or attorney fees associated with the drafting, review, negotiation and/or litigation of any vendor contract may not be paid with funds from a BEP award.
- Realtor fees or closing cost for the sale of a lot post demolition may not be paid with BEP funds.
- Rehabilitation activities may not be completed with funds from a BEP award.

Any questions about whether an activity is eligible should be referred to the Program Director, IHCD A or HHF staff. It is the job of the successful applicant to determine whether the activity is eligible prior to engaging in the activity.

**IHCD A does not fund:**

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, or gender identity in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- Medical research or medical profit-making enterprises.

**Demand Note Requirements**

A demand note and mortgage will be executed for every property for which BEP funds are received. The Demand Note will be equal to the amount of funds received. The Demand Note will be structured as a zero percent, non-amortizing note, secured by a mortgage against the residential real estate. The Demand Notes will have a limited term and will expire on December 31, 2017 ("Expiration Date"). Prior to the Expiration Date, loans will be forgiven at a rate of 33.3% per annum as long as terms of the BEP are met. Any and all sums due and owing under the Demand Note will be forgiven upon the Expiration Date.

The outstanding loan balance will become due and payable if a property is sold or title transferred prior to the Expiration Date. The method for calculating the outstanding balance will be determined based upon the time and method of transfer. The outstanding balance may include any and all net sale proceeds and/ or the full principal balance of the loan. Prior to the Expiration Date, any and all net sale proceeds will be due and payable to IHCD A.

Special considerations may be made by IHCD A to release or subordinate its lien prior to Expiration Date. A written request to subordinate or release a lien should be tendered to IHCD A in writing. The request should state the reason for the request and state any proposed positive economic impact to the community.

The Expiration Date and forgiveness provisions of the Demand Notes will be deemed null and void for any successful applicant that fails to abide by the BEP participation agreement or BEP program terms.

Demand Notes, loan modification agreements, and any and all mortgages required by the terms of the BEP must be executed by a Program Partner.



**Eligible Activity Costs**

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**Structures without Basements**

Eligible activity costs for a qualifying residential structure without a basement should not exceed \$15,000.00. This is the total of all eligible costs for acquisition, demolition and approved expenses for a qualifying residential structure without a basement.

The total cost of acquisition and demolition may exceed \$15,000.00; however, the applicant and or program partner will only be reimbursed for \$15,000.00 in qualifying expenses unless a waiver is sought and obtained from IHCDA.

**Structures with Basements**

Eligible activity costs for a qualifying residential structure with a basement may not exceed \$25,000.00. This is the total of all eligible costs for acquisition, demolition, qualifying expenses and property maintenance fees.

The total cost of acquisition and demolition may exceed \$25,000.00; however the applicant and or program partner will only be reimbursed for \$25,000.00 in qualifying expenses. No waiver may be sought to exceed this limit. Any such waiver that is sought to exceed this limit will be denied.

**Limitations on Eligible Expenses**

If a limit is set forth for a particular expense in the Allowable Expense Chart, an applicant or program partner may not be reimbursed in excess of the specified amount.

The following eligible expenses have a fixed maximum reimbursement amount:

Pre Demolition Title Work	\$300.00
Pre-Acquisition Appraisal (where required)	\$350.00
Litigation	\$1600.00
Acquisition costs	
Structure with no basement	\$6,000.00
Structure with a basement	\$10,000.00

**ACQUISITION** – Acquisition fees are limited to the purchase price and related costs associated with the acquisition of a parcel of real property. The acquisition costs should include the payment and release of any and all liens against the real estate. Successful applicants must use a title company when purchasing or selling properties acquired or demolished with BEP funds.

**PROPERTY MAINTENANCE FEES** – Property Maintenance fees of \$1,000.00 per year per lot may be available for three years after the demolition activity occurs. Property Maintenance fees are only available within the \$25,000 per property cap. Therefore if the cost of acquisition and/or acquisition and demolition for a specific parcel exceeds \$25,000.00, no Property Maintenance fees will be available for that parcel.

A maximum of \$250.00 per year per parcel may be taken from the \$1,000.00 Property Maintenance award for BEP Administration. No more than \$250.00 per \$1,000.00 Property Maintenance allocation may be used for administrative purposes.



**RETAINAGE POLICY** - IHCDA will hold the first installment of the Property Maintenance Fees until such time as all invoices and required reporting for the property acquisition and demolition have been submitted.

**REHABILITATION** –  
BEP funds may not be used for Rehabilitation.

**ADMINISTRATION** - The administration costs paid by the BEP are not to exceed \$750.00 per property for the life of the program. The administrative fees are derived from the Property Maintenance fees. If Property Maintenance fees are not awarded for a parcel, administrative fees will not be available. The maximum award is \$250.00 per year for a total of three years. These costs will be paid upon invoice from the applicant or program partner. No administrative fees will be paid for an unsuccessful application.



## Completeness & Threshold Criteria

To be considered for funding, an applicant must meet all of the criteria listed below.

### Completeness

- Timeliness – All documentation must be turned in by the application due date.
  - On or before the application deadline, the applicant must provide all documentation as instructed in this document.
  - If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
  - Any forms that are late will be denied review and will be sent back to the applicant.
- Responsiveness – All questions must be answered and all supporting documentation must be provided.
  - The applicant must provide all documentation as instructed in this document.
  - The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)

Required signatures must be original.
- The checklist below and in the application forms is provided for your guidance in successfully completing the BEP application.

Completeness Checklist	Y or N
Is every question answered?	
Are all required signature pages signed?	
Was the Application Form emailed by the due date?	
Were all required attachments emailed by the due date?	
Was a hard copy of the Application Form with original signatures sent to IHCDA by the due date?	

### BEP Application Threshold Requirements

Items that MUST be submitted as part of Threshold and Scoring Review are outlined herein. After initial threshold review, IHCDA staff may contact the applicant for further clarification of an item. Failure to respond to the requested clarification items by the due date and in the manner requested may result in the denial of the application.

An application that fails to meet the threshold requirements will not be scored by IHCDA.

An application must include:

- The name of the applying government entity with address, email and phone number;
- The name of any other government entity that is a co-applicant;
- The name, address, email and phone number for the applicant’s single point of contact;
- The name, address, email and phone number for the co-applicant’s single point of contact;



- The legal name of all Program Partners or paid service providers that assisted in completing the application;
- The legal name of each and every Program Partner that will hold title to a lot during the BEP;
- For every paid service provider that assisted in completing the application provide an organizational chart, staff and board roster, financial overview of entity, narrative history of entity, a brief narrative history of the entities applicable work experience and a brief narrative of the entities relationship with the applicant (s).
- For every Program Partner provide an organizational chart, staff and board roster, financial overview of the entity, narrative history of the entity, a brief narrative history of the entities applicable work experience and a brief narrative of the entities relationship with the applicant(s).
- Program partners that are not-for-profit corporations organized under section 501(c)3 or 501(c)4 of the Internal Revenue Code must include a copy of their IRS determination letter.
- Not-for-Profit program partners, sub-recipients, and administrators organized under the State of Indiana must provide proof of organization and that they are in good standing.
- For any and all Program Partners submit a copy of the Certificate of Organization from the Indiana Secretary of State.
- Map or maps of the areas targeted for program participation.
- Community or economic development plan or strategy (if applicable). Please provide the specifics of the plan per the table below.
- If the proposed community or economic development plan or strategy previously received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development office.
- Provide a copy of the letter along with proof of sending.
- If there is no applicable community development plan, provide a narrative description of the planned demolition/ development of the target area lots post demolition. Please provide the specifics of the demolition project per the table below.
- A brief narrative detailing the history of each target area and the impact of the economic downturn and foreclosure on the neighborhood in question.
- A brief narrative of how the planned demolition activity will stabilize neighborhood property values and decrease foreclosures in all target areas.
- An excel spreadsheet with the following information for each qualifying structure:
  - 1) the common address of the property;
  - 2) the abbreviated legal description of the property;
  - 3) the current owner of the property;
  - 4) the acquisition plan for the property (ie: Purchase, gift, foreclose, etc.);
  - 5) the program partner the applicant anticipates will hold title prior to demolition; and
  - 6) the program award requested, either \$15,000.00 or \$25,000.00.The approved spreadsheet form will be provided by IHCDA.
- A completed Site Evaluation Matrix for each property the applicant seeks to demolish.
- The match/leverage requirement for the BEP is 10% of the total amount of funding requested. The source of the matched or leveraged contribution. More details about the requested information are in the chart below.
- Estimate of demolition costs or an invoice for a demolition completed within the past six months



- If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
- Any forms that are late will be denied review and will be sent back to the applicant.
- Responsiveness – All questions must be answered and all supporting documentation must be provided.



DESCRIPTION		INCLUDED AS ATTACHMENT? Y or N or NA
BEP Application Table		
a. Project Narrative		
It is important that the demolition project is well planned. The proposed demolition project should stabilize neighborhood property values and prevent foreclosures in a designated target area. An applicant should address the items set out below when completing the project narrative that describes the demolition project. An applicant should provide supporting documentation when it is available.		
	1) Project Description: Describe the project concept, including the rationale for selecting the current project form, and details of the project including size, number of units to be demolished, location, etc.	
	2) Describe the intended impact of this demolition project on the target area including the desired impact on property values.	
	3) Describe the need for the demolition project along with the applicant's theories on events that gave rise to the abandoned and blighted residential structures in the target area.	
	4) Community support and/or opposition to the project: Describe the support and/or opposition the community has for the demolition project. List community leadership (individuals, agencies, elected officials, organizations, etc.) that support and/or oppose the project. Also describe any public outreach that has taken place to ensure/gain community support for the demolition project.	
	5) Partnerships created to enhance the demolition project: Identify the partnerships, formal and informal, that were created as a result of the project concept and the role the partnerships have in the project?	
	6) Target area: The target area is the geographic location in which a potential demolition project may take place. Depending on how urban or rural the surroundings, it might be as small as a neighborhood or as large as a county. Describe the target area and why this area was selected. Describe any and all attributes of the target area that elevated this area for selection.	
	7) Attach a scaled map with the project boundaries with a key map labeling each address proposed for demolition. If the project is in multiple cities or towns, please submit a labeled city or county map showing the location of all cities and towns where demolition will occur.	



	<p>8) Unique features: Describe the unique features of the project. Unique features should be a creative addition to the proposed project. These might include tie-ins to existing project or planned transitions from demolition to development including proposed development incentives.</p>	
	<p>Match/Leverage Spreadsheet <i>Submit a completed Match/Leverage Spreadsheet with all required support documents. A Match/Leverage Spreadsheet is not required for banked match or cash match.</i></p>	
	<p>Commitment Letters <i>Provide Letters of Commitment for any match/leverage or other sources contributing to the project.</i></p>	



## Scoring

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Each applicant will submit a self-evaluation on the designated Application Evaluation Matrix. If an application meets all threshold requirements, IHCD A will then score the application. See the attached Application Scoring Matrix for scoring guidelines.

### Unique Features & Bonus

Category Maximum Points Possible: 19

1) Innovative Demolition Concepts

Maximum Number of Points: 17

Ten points may be awarded to applicants that have contracted, negotiated or otherwise found a manner to reduce costs on every demolition. For example, Smallville (a fictitious town) has negotiated with the local municipally owned land fill to save fifty percent off the cost of every load of demolition debris. Smallville has negotiated an agreement that will result in savings on each and every demolition.

Five points may be awarded to applicants that have contracted, negotiated or otherwise found a manner to reduce costs on a portion of the demolitions. For example, Smallville (a fictitious town) has negotiated to have a group of trained volunteers salvage decorative fixtures from homes prior to demolition. These fixtures will be sold and proceeds donated to Smallville. The agreement negotiated between Smallville and the volunteers will result in a savings (through the return of proceeds) on the demolitions where fixtures may be salvaged.

Two points may be awarded to applicants that have contracted, negotiated or otherwise found a manner to reduce costs on a service or product secondary to demolition. For example, Smallville has negotiated with a local property owner to use a storage facility rent free. Salvaged items may be stored at the facility until such time as they are sold.

An applicant wishing to receive bonus points should provide a narrative describing its innovative demolition concept. Supporting documentation should be provided to demonstrate that the agreement to facilitate an innovative demolition concept is in place.

2) Bonus

Maximum Points Possible: 2

The applicant will receive two (2) bonus points for answering all questions and turning in all required threshold documentation. Threshold documentation includes all scoring support documentation.

Points are awarded at IHCD A's sole and absolute discretion.