



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

Held: November 19, 2015

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority (“IHCDA” or “Authority”) was held November 19, 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), Kelly Mitchell (Treasurer of the State of Indiana), Mark Pascarella (Public Finance Director of the State of Indiana delegate), David Miller, Scenario Adebesein, Andy Place, Sr., 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. Ellen Wilkerson served as Secretary.

I. Approval of Minutes

A. Meeting Minutes

A motion was made by Andy Place, Sr. to approve the October 22, 2015 Meeting Minutes, which was seconded by Scenario Adebesein; the following Resolution was unanimously approved:

RESOLVED, the Minutes of the Board meeting held October 22, 2015 are hereby approved to be placed in the Minute Book of the Authority.

II. Real Estate

A. TCAP Loan – Music City Place

Chair Brothers-Bridge recognized Alan Rakowski who presented a recommendation regarding TCAP Loan – Music City Place.

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. The Indiana Housing and Community Development Authority (IHCDA) was charged with distributing the state’s \$38,048,333 in TCAP funding. In late 2011, IHCDA began to receive repayment of these funds.

In July 2014, IHCDA issued a Revised TCAP Policies and Procedures Manual. IHCDA offers TCAP loans for the following activities:

- Up to \$5,000,000 per development to rental housing tax credit developments as construction loans or equity bridge loans to enhance development strength and encourage investment from traditional syndicator and investor sources.
- Up to \$200,000 per development to not-for-profit organizations as predevelopment loans related to predevelopment costs of a rental housing tax credit development.

Eligible developments are required to have an award of 9% tax credits and must meet one of the following set-aside

categories under the QAP:

- Rural
- Small City; or
- Housing First

Project Summary

Music City Place is an adaptive reuse of a historic building in downtown Richmond, creating 50 units of affordable housing. The development was identified as a top priority in the Stellar Plan and is a critical project for the City of Richmond and its historic depot district. Furthermore, the project is consistent with Richmond’s Comprehensive Plan goal of providing additional affordable housing.

On February 26, 2015, the IHCDA Board of Directors awarded Music City Place Rental Housing Tax Credits in the 2015A-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 Music City Place will receive. The investor’s equity installments will repay the TCAP loan within 12 months, allowing IHCDA to continue to almost immediately recycle those funds while earning a 3% interest rate on the loan.

Project Name:	Music City Place
TCAP Equity Bridge Loan Requested:	\$5,000,000.00
TCAP Equity Bridge Loan Recommended:	\$5,000,000.00
Total Project Costs:	\$10,983,500.00
Location:	Richmond
Developer:	Flaherty & Collins
Activity:	Rehabilitation
Award Type:	3%/12 months

Following discussion, a motion was made by Scenario Adebessin to approve a TCAP loan to Music City Place, L.P. in an amount not to exceed \$5,000,000.00 for equity bridge, as recommended by staff, which was seconded by David Miller; the motion passed unanimously:

RESOLVED, that the Board approve a TCAP loan to Music City Place, L.P. in an amount not to exceed \$5,000,000.00 for equity bridge, as recommended by staff.

III. Community Programs

A. Project Based Voucher Award – Village of Hope

Chair Brothers-Bridge recognized Greg Stocking who presented a recommendation regarding Project Based Voucher Award – Village of Hope.

Background

The project-based voucher (PBV) program allows Public Housing Agencies (PHAs) that already administer a tenant-based Housing Choice Voucher (HCV) program to take up to 20% of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance. PHAs may only operate a PBV program if doing so is consistent with the PHA’s Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities. IHCDA, as a PHA, has elected to create a PBV program under

these regulations.

Process

IHCDA must describe the procedures for owner submission of PBV proposals and for IHCDA selection of PBV proposals. Before selecting a PBV proposal, IHCDA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing, complies with the cap on the number of PBV units per project, and meets the site selection standards.

Housing Choice Voucher Program staff utilized the IHCDA HCV Administrative Plan criteria to release a request for proposal as set forth below:

1. On October 6, 2015, IHCDA issued an RFP for Project-Based Vouchers.
2. One proposal was received by the October 20th deadline.
3. An internal cross-department committee reviewed the application for completeness and for merit on the following criteria:
 - Need for project-based vouchers in the area
 - Participation in the Indiana Supportive Housing Institute
 - Experience with owning and managing affordable housing projects
 - De-concentration of poverty
 - Population served
 - Lease and occupancy plan
 - Compliance with HCV regulations and program rules

Development Name:	Village of Hope
Applicant:	Village of Hope, LLC
Site Location:	Intersection of 12 th Ave. & Monroe St., Gary, Indiana 46407
Project Type:	Rehab-Adaptive Reuse & New Construction

Unit Size	Vouchers Requested	Requested Monthly Rent	Gross Annual Rent
1 BR	21	\$646 (FMR)	x12 = \$162,792
2 BR	17	\$805 (FMR)	x12= \$164,220
3 BR	2	\$1008 (FMR)	x12= \$24,192
Total Requested	40		\$351,204
Total Recommended	40		\$351,204

The award is contingent upon the project meeting all program requirements, including the Subsidy Layering Review by HUD. This is a 10 year commitment.

Following discussion, a motion was made by Kelly Mitchell to approve an award of forty (40) project-based vouchers in an amount not to exceed \$351,204.00 to Village of Hope, as recommended by staff, which was seconded by David Miller; the motion passed unanimously:

RESOLVED, that the Board approve an award of forty (40) project-based vouchers in an amount not to exceed \$351,204.00 to Village of Hope, as recommended by staff.

B. HOME Tenant Based Rental Assistance Award HIV/AIDS Southeastern Indiana Program

Chair Brothers-Bridge recognized Lori Dimick who presented recommendations regarding HOME Tenant Based Rental Assistance Award HIV/AIDS Southeastern Indiana Program.

Background

Home Investment Partnerships Program (HOME) funds can be used to provide direct rental assistance to low-income households. HOME funded Tenant Based Rental Assistance (TBRA) is a rental subsidy that helps make up the difference between what a renter can afford to pay and the actual rent. HOME TBRA can also assist with utility costs and security or utility deposits. To be eligible for this program, the household's income must be at or below 50% of area median income. The Indiana State Consolidated Plan, which is the state plan for using HOME and other HUD funding, allows IHCD to seek programs that assist special populations that are at risk of being homeless or currently homeless. One such program assists those who have been diagnosed with HIV/AIDS and who have barriers that put them at risk of becoming homeless.

Recently Scott County, Indiana has been hit with an increase of HIV diagnoses due to an increase in intravenous substance abuse. In a period of 6 months (December 2014 to June 2015), reported HIV/AIDS cases increased from 26 to 166 cases. State health officials are working closely with local health departments, health care providers and others to contain the spread of HIV in southeastern Indiana. Disease intervention specialists are in the area, interviewing each newly identified HIV positive individual to obtain information about needle sharing and sex partners, as well as recommending care coordination services, medical care and HIV prevention information.

IHCDA has been one of these partners looking for ways to assist with this epidemic. Due to the low amount of Housing for Persons With AIDS funds available to IHCDA, IHCDA decided to utilize HOME TBRA funds to provide rental assistance to this area to prevent homelessness. Other agencies such as the Indiana State Department of Health (ISDH) have committed to add a case manager to the local health department to assist persons with supportive services. Also, the Office of Community and Rural Affairs will be providing financial assistance to cover a case manager specifically for this program since HOME TBRA only provides rental and utility assistance.

Process

IHCDA sent out a Request for Proposals (RFP) to non-profits who wished to apply for medium term HOME TBRA (no more than 2 years of rental assistance) for Clark, Crawford, Floyd, Jackson, Jefferson, Jennings, Harrison, Orange, Scott, Switzerland and Washington counties. IHCDA expanded the area outside of Scott County so that as people move out of the county rental assistance can still be provided.

One of the requirements was that the RFP respondent had to currently be a care coordination site with ISDH and already assisting with rental assistance for those who already have severe housing barriers that put them at risk of being homeless or are currently homeless.

IHCDA received one response to the RFP - Hoosier Hills Aids Coalition (HHAC) - which staff reviewed for completeness and threshold. Additionally, staff scored the application utilizing a matrix that assigned points based upon the following program design components: organizational capacity, financial capacity, service partnerships, and history of administering rental assistance.

HHAC has been in existence for over 10 years providing rental assistance and case management services to persons with HIV/AIDS that are also low-income. HHAC is a sub-recipient of a 2015 HOPWA grant from IHCDA and a care coordination site with ISDH. While HHAC's main office is in Jeffersonville, HHAC operates a satellite office in the city of Austin (Scott County), where the main substance abuse is occurring.

Because the proposed award of \$200,000 exceeds HHAC's normal allocation of approximately \$25,000 in HOPWA funds, HHAC has entered into a partnership with New Hope Services, Inc., a partner experienced working with awards of this size and larger. New Hope Services will provide the financial capacity of sending out the rental checks, utility checks and security deposits as needed. New Hope Services has many years of experience in rental housing and providing services to low-income persons and persons with disabilities. New Hope Services also has good partnerships with local landlords and this will assist HHAC in finding affordable and quality housing for the clients. Geographically, New Hope Services' main office is located in New Albany, with an office in Jeffersonville and a health facility in Scott County. This is a two year grant.

Following discussion, a motion was made by Scenario Adebessin to approve awarding HOME TBRA funds to HHAC and New Hope Services, Inc. in an amount not to exceed \$200,000, as recommended by staff, which was seconded by Andy Place, Sr.; the motion passed unanimously:

RESOLVED, that the Board approve awarding HOME TBRA funds to Hoosier Hills Aids Coalition and New Hope Services, Inc. in an amount not to exceed \$200,000, as recommended by staff.

IV. Program Updates

A. Single-Family Homeownership Department Annual Update

Chair Brothers-Bridge recognized Kim Harris who presented an update regarding Single-Family Homeownership Department.

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

B. Community Investment Fund of Indiana, Inc.

Chair Brothers-Bridge recognized Mark Wuellner, as IHCD Ethics Officer, who explained to the Board that Jacob Sipe and Scenario Adebessin had disclosed potential conflicts of interest with CIFI based on direct roles, responsibilities or investments in CIFI. Mark indicated the Jacob and Scenario were following IHCD protocol on conflicts of interest, and requested that they recuse themselves from this agenda item. Jacob and Scenario then left the room. Mark took Jacob's place as IHCD Executive management representation at the Board table.

Chair Brothers-Bridge then recognized Joe Palus who introduced the CIFI team who presented an update regarding Community Investment Fund of Indiana, Inc.

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

V. Executive Update

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

Jacob updated the Board on 1 item:

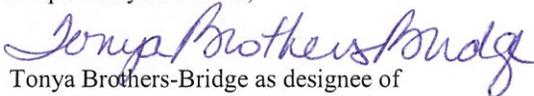
1. Scenario Adebessin, Andy Place, Sr., and David Miller formed the Development Fund Advisory Committee Board.

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

VI. Other Business

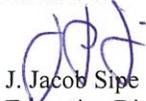
There being no further business a motion was made by David Miller to adjourn the meeting, and the meeting was adjourned at 11:28 a.m.

Respectfully submitted,



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

ATTEST:



J. Jacob Sipe
Executive Director for IHCD