



Indiana Housing & Community Development Authority

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

Held: September 24, 2015

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority (“IHCDA” or “Authority”) was held September 24, 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), Mark Pascarella (Public Finance Director of the State of Indiana delegate), Kelly Mitchell (Treasurer of the State of Indiana), David Miller, Lu Porter, Jacob Sipe (Executive Director for IHCDA), members of the staff of the Authority, and the general public. Tom McGowan was not in attendance.

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

**I. Approval of Minutes**

**A. Meeting Minutes**

A motion was made by Kelly Mitchell to approve the August 27, 2015 Meeting Minutes, which was seconded by Mark Pascarella; the following Resolution was unanimously approved:

**RESOLVED**, the Minutes of the Board meeting held August 27, 2015 are hereby approved to be placed in the Minute Book of the Authority.

**II. Real Estate**

**A. Bond Volume/4% Credits – Lillie Gardens**

Chairman Brothers-Bridge recognized Alan Rakowski who presented information regarding Bond Volume/4% Credits – Lillie Gardens.

**Background**

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

**Process**

On January 1, 2015 the IHCDA began the 2015A-B bond round for multi-family bond volume. The eleventh application received and reviewed represented a total development cost of \$9,382,241 with \$5,000,000 in bond volume and \$353,311 in annual LIHTCs.

Serving as developer, A+X Design and Development proposes to acquire and rehabilitate 140 units of existing rental housing located in the southeast quadrant of Fort Wayne. Constructed in 1969 and currently known as Diplomat Apartments, the property is in need of significant repairs and upgrades. Situated in an established residential neighborhood with surrounding amenities, including McMillen Park and access to public transportation, the Developer has partnered with the City of Fort Wayne to reinvest in a community asset that is in danger of being lost. The City’s contribution includes a \$900,000 commitment of its HOME funding.

The scope of rehabilitation will include new mechanicals, appliances, cabinetry, flooring, new façade treatments, and site and landscaping work. As part of the due diligence process, IHCDAs inspector inspected the property on August 13, 2015 to ensure that all critical items were in the scope of work and that all applicable code requirements would be met. Once the rehabilitation is completed, Diplomat Apartments will be renamed Lillie Gardens and provide a high quality, affordable housing option for residents of Fort Wayne.

During the round the Real Estate Department staff reviewed the application to ensure it met the criteria set forth in the 2014-2015 Qualified Allocation Plan. Additionally, on September 2, 2015 the applicant was given an opportunity to present the development to many of the members of the Executive Committee and the Real Estate Department.

Following discussion, a motion was made by Lu Porter to approve awarding \$5,000,000 in bond volume and \$353,311 in annual LIHTC to Lillie Gardens LP according to the terms of the 2015A-B Application Round, as recommended by staff, which was seconded by Mark Pascarella; the motion passed unanimously:

**RESOLVED**, that the Board approve awarding \$5,000,000 in bond volume and \$353,311 in annual LIHTC to Lillie Gardens LP according to the terms of the 2015A-B Application Round, as recommended by staff.

#### **B. Apperson Way Apartments – TCAP**

Chairman Brothers-Bridge again recognized Alan Rakowski who presented information regarding Apperson Way Apartments – TCAP.

#### **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 (IHCDAs) was charged with distributing the state’s \$38,048,333 in TCAP funding. In late 2011, IHCDAs began to receive repayment of these funds.

In July 2014, IHCDAs issued a Revised TCAP Policies and Procedures Manual. IHCDAs 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**

Apperson Way Apartments will consist of the redevelopment of commercial and residential properties in Kokomo. These sites will be demolished and replaced with a 64 unit three story apartment building and five unit two story building. The development will be located in a part of Kokomo that has been targeted by the City for redevelopment. The project is a component of the City’s comprehensive plan and also will provide affordable, safe, and modern housing for residents of Kokomo.

On February 26, 2015, the IHCDAs Board of Directors awarded Apperson Way Apartments Rental Housing Tax Credits in the 2015A-C Round. The development team is now requesting a construction loan and predevelopment 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 Apperson Way will receive. The investor's equity installments will repay the TCAP loan, allowing IHCDA to continue to recycle those funds.

<b>Project Name:</b>	Apperson Way Apartments
<b>TCAP Predevelopment Loan Amount Requested:</b>	\$200,000.00
<b>TCAP Predevelopment Loan Amount Recommended:</b>	\$200,000.00
<b>TCAP Construction Loan Requested:</b>	\$5,000,000.00
<b>TCAP Construction Loan Recommended:</b>	\$5,000,000.00
<b>Total Project Costs:</b>	\$10,372,444
<b>Location:</b>	Kokomo
<b>Developer:</b>	Partners in Housing Development Corporation
<b>Activity:</b>	New Construction
<b>Award Type:</b>	Predevelopment Loan: 5%/24 months Construction Loan: 3%/24 months, after which it will convert to a bridge loan at 3% for an additional 24 months.

Following discussion, a motion was made by David Miller to approve TCAP loans to Partners in Housing Development Corporation in an amount not to exceed \$200,000.00 for predevelopment and \$5,000,000.00 for construction/bridge, as recommended by staff, which was seconded by Kelly Mitchell; the motion passed unanimously:

**RESOLVED**, that the Board approve TCAP loans to Partners in Housing Development Corporation in an amount not to exceed \$200,000.00 for predevelopment and \$5,000,000.00 for construction/bridge, as recommended by staff.

**C. Aberdeen Woods Phase 4**

Chairman Brothers-Bridge recognized Drew Rosenbarger who presented information regarding Aberdeen Woods Phase 4.

This Aberdeen Woods Phase 4 development is an amended request from the 2015 FY HOME award approved by the IHCDA Board of Directors on August 27, 2015. IHCDA staff inadvertently overlooked the inclusion of a Development Fund Loan request made in conjunction with New Hope Services' HOME request. Below is a summary of the project for Aberdeen Woods Phase 4 approved last month:

HOME Amount Requested:	\$616,000.00
<b>HOME Amount Awarded:</b>	<b>\$616,000.00</b>
Total Project Costs:	\$1,153,900.00
Score:	97
Location:	Clark County
Activity:	Rental New Construction
Anticipated # of Units:	8

The Development Fund Loan request is for the fourth phase of a senior living community designated for grandparents raising their grandchildren. The Development Fund Loan and the HOME grant are for the new

construction of eight additional units within the overall development. This loan should have been requested for approval with the HOME funding. There are no changes to the HOME request already approved by the IHCDA Board.

<b>Project Name:</b>	Aberdeen Woods Phase 4
<b>IHCDA Amount Requested:</b>	\$500,000.00
<b>Development Fund Loan Amount Recommended:</b>	\$500,000.00
<b>IHCDA Per Unit Subsidy (Rehabilitation, Relocation, Program Delivery):</b>	\$62,500.00
<b>Total Project Costs:</b>	\$1,153,900.00
<b>Other Funding:</b>	HOME Investment Partnership Program – \$616,000.00; Cash Donation – \$20,000.00; and Deferred Developer Fee – \$17,900.00
<b>Location:</b>	1900 Falcon Ridge Drive Jeffersonville, IN 47130 Clark County
<b>Developer:</b>	Developer/Owner – New Hope Services, Inc.
<b>Activity:</b>	New Construction
<b>Award Type:</b>	Development Fund Loan 3%, 15 year term, 30 year amortization

Following discussion, a motion was made by Mark Pascarella to approve a Development Fund Loan in an amount not to exceed \$500,000.00 for Aberdeen Woods Phase 4 project, as recommended by staff, which was seconded by David Miller; the motion passed unanimously:

**RESOLVED**, that the Board approve a Development Fund Loan in an amount not to exceed \$500,000.00 for Aberdeen Woods Phase 4 project, as recommended by staff.

### **III. Community Programs**

#### **A. Housing Choice Voucher Annual Plan Submission**

Chairman Brothers-Bridge recognized Greg Stocking who presented information regarding Housing Choice Voucher Annual Plan Submission.

#### **Background**

IHCDA administers the Section 8 Housing Choice Voucher Program (HCV) in counties in Indiana outside the jurisdiction of metropolitan and county public housing authorities (PHA). As a PHA, IHCDA must maintain a comprehensive guide to public housing agency policies, programs, operations, and strategies for meeting the housing needs and goals of its jurisdiction. There are two parts to this PHA Plan: 1) the Five-Year Plan, which each PHA submits to HUD once every fifth PHA fiscal year, and 2) the Annual Plan, which is submitted to HUD every year. The Board approved the Five-Year Plan at its September 25, 2014 meeting. Staff now requests approval of the 2016 Annual Plan.

#### **Process**

The PHA Plan process was established by section 5A of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.). The PHA Annual Plan describes the agency's policies and procedures and must be reviewed each year. HUD

requires that the plan be posted for a public comment period of no less than 45 days. This year's public comment period began on July 31, 2015 and concluded on September 15, 2015.

Beyond the required public comment period, program staff made efforts to engage internal stakeholders within IHCDA and the Local Subcontracting Agencies (LSA) that operate the program on behalf of IHCDA across the state. A complete copy of the 2016 Annual Plan is available on IHCDA's website: <http://www.in.gov/ihcda/2333.htm>.

Changes proposed to the Annual Plan are detailed in **Exhibit A** and can be summarized into three categories:

- Clarification of IHCDA policy;
- Distinctions between IHCDA and LSA responsibilities; and
- Updates in response to federal rule changes.

IHCDA has prepared its Annual Plan for submission on or before October 15, 2015. The submission includes:

- Form HUD -50077;
- Form HUD -50077-SL;
- Form HUD -50077-CR; and
- PHA Plan Elements.

These documents are contained in **Exhibit B**. Once approved by the Board of Directors, all of the above referenced HUD forms require the Board Chair's signature.

Following discussion, a motion was made by Kelly Mitchell to approve HCV 2016 Annual Plan, as recommended by staff, which was seconded by Lu Porter; the motion passed unanimously:

**RESOLVED**, that the Board approve HCV 2016 Annual Plan, as recommended by staff.

#### **B. Indiana Permanent Supportive Housing Institute Update**

Chairman Brothers-Bridge recognized Matt Rayburn and Rodney Stockment who presented an update regarding the Indiana Permanent Supportive Housing Institute.

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

#### **C. Community Services Block Grant Innovative Grant Applications**

Chairman Brothers-Bridge recognized Veda Morris-May who presented information regarding Community Services Block Grant Innovative Grant Applications.

#### **Background**

Each year Indiana receives approximately \$9 million in block grant funds from the Community Services Block Grant (CSBG). These funds are used to support community action's low income initiatives at or below 125% of the federal poverty level. Of the \$9 million received annually, states are allowed to allocate up to 5% toward discretionary projects. Over the last three years, IHCDA has used the discretionary funds to support innovative community action agency programs which align with IHCDA's strategic priorities and support low income initiatives.

#### **Process**

In July 2015, IHCDA released a CSBG-Discretionary Request for Proposals (RFP) and grant application to the community action network and posted it on IHCDA's website. Applicants were required to demonstrate that the project was based on a recent needs assessment and that the project goals align with the six CSBG National Goals and/or National Performance Indicators.

A total of eight responses were received. Five IHCDA staff scored the written applications based on the RFP matrix. From the eight eligible applications, three applications were selected for funding recommendations:

<u>Agency</u>	<u>Project Name</u>	<u>Amount Requested</u>	<u>Amount Recommended</u>
TRI-CAP	The Fatherhood Coalition	\$59,628.60	\$50,000.00
South Central Community Action Program	EnergyBus	\$75,000.00	\$50,000.00
Community and Family Services	Crimsoncup Coffee House	\$135,325.69	\$50,000.00

TRI-CAP presented The Fatherhood Coalition (Coalition). The goal of the Coalition is encouraging and nourishing fatherhood as the cornerstone of the family unit. The Coalition was formed out of collaboration between the Head Start program and Healthy Family Management. The program will offer one fall and one spring session involving 20 male participants per session identified by TRI-CAP. This voluntary program will provide sessions on healthy child development, overcoming barriers to effective fatherhood when living in poverty, community resources, job interviewing skills, internet resources and safety, financial literacy, and focusing on specific family needs identified through the Family Development Matrix to improve the family's self-sufficiency. TRI-CAP has leveraged local businesses and not-for-profits as mentors and community partners who include: a variety of local businesses, government entities, local schools, churches, and a hospital. TRI-CAP has requested \$59,628.60 and is recommended for a \$50,000 grant.

Community and Family Services (CFS) presented Crimsoncup Coffee House (Coffee House). The Coffee House will provide job skills and educational opportunities for 22 CFS clients who currently receive services. CFS anticipates opening their first Coffee House in their main office in Portland where CFS provides Energy Assistance intake, Women Infant Children funding, a food pantry, thrift shop, and HeadStart. CFS will partner with the John Jay Center for Learning to provide employment skills as well as educational opportunities ranging from technical trainings, professional certificates, and high school equivalency diplomas through Masters programs. CFS's mission is to "Empower People to Improve". This program does so by developing their clients personal skills and learning to balance financial, family, educational, and employment goals. The employment training and educational options are designed to encourage future self-sufficiency rather than a long term subsidy. CFS has requested a total of \$135,325.69 to open two Coffee Houses and is recommended for a \$50,000 grant to provide seed funds for the first of two Coffee Houses.

South Central Community Action Agency (SCCAP) presented the EnergyBus. The goals of the program are to reduce energy use in local households by 10%, educate local Hoosiers on energy conservation, and offer job training for weatherization skills that homeowners and renters can perform at home or use as employment. The EnergyBus is a mobile interactive educational opportunity. The program is an extension of a successful and effective 2014 collaboration with the Monroe County Energy Challenge. SCCAP partners with a variety of volunteer organizations, educational organizations, business partners, utilities, local governments, Indiana University, and local School corporations to design the bus and teach. Foundation, utility, corporate and nonprofit support in the amount of \$174,000 is pending and committed to this program. SCCAP has requested \$75,000 and is recommended for a \$50,000 grant.

Following discussion, a motion was made by Lu Porter to approve CSBG Discretionary funds grants in an amount not to exceed \$150,000 to TRI-CAP, South Central Community Action Agency, and Community and Family Services in the amounts outlined for said projects, as recommended by staff, which was seconded by Mark Pascarella; the motion passed unanimously:

**RESOLVED**, that the Board approve CSBG Discretionary funds grants in an amount not to exceed \$150,000 to TRI-CAP, South Central Community Action Agency, and Community and Family Services in the amounts outlined for said projects, as recommended by staff.

**IV. Executive**

**A. Executive Update**

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

Jake presented each Board member with a brochure for a new program that was announced the last day of the Indiana Housing Conference with a focus on housing, transportation, and energy efficiency: MOVING FORWARD. Jake shared some key information and dates that are outlined in the brochure. He also highlighted many of the partners who will play key roles in the program, including: national experts, Duke Energy, Vectren, IPL, and Purdue. The award announcement of the two developments will occur in the fall of 2016. He will keep the Board posted as the process moves forward.

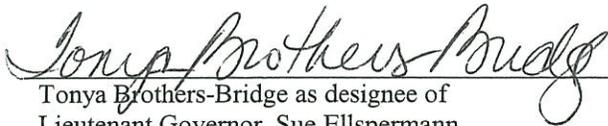
No action was required as this was an update to the Board.

**V. Other Business**

Before taking a motion to adjourn, Chairman Brothers-Bridge wanted to take a moment to recognize Lu Porter who has served on IHCDA's Board for a number of years. While everyone is sad to see Lu leave IHCDA's Board, she has been tapped to fill a position on Tourism's Board, which is also in the Lt. Governor's Family of Business. Tonya read a letter from the Lt. Governor thanking Lu for her service. Lu thanked everyone in return.

There being no further business a motion was made by David Miller to adjourn the meeting, and the meeting was adjourned at 10:58 a.m.

Respectfully submitted,

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

ATTEST:

  
\_\_\_\_\_  
J. Jacob Sipe  
Executive Director for IHCDA