



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

Held: March 24, 2016

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority (“IHCDA” or “Authority”) was held March 24, 2016 at 10:00 a.m. at 30 South Meridian Street, Suite 1000, Indianapolis, Indiana 46204.

The following individuals were present at the meeting: Mark Wuellner (Lieutenant Governor delegate), Mark Pascarella (Public Finance Director of the State of Indiana delegate), Kelly Mitchell (Treasurer of the State of Indiana), David Miller, Scenario Adebessin, Jacob Sipe (Executive Director for IHCDA), members of the staff of the Authority, and the general public. Tom McGowan and Andy Place, Sr. were not present.

Mark Wuellner 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 February 25, 2016 Meeting Minutes, which was seconded by Kelly Mitchell; the following Resolution was unanimously approved:

RESOLVED, the Minutes of the Board meeting held February 25, 2016 are hereby approved to be placed in the Minute Book of the Authority.

II. Real Estate

A. City of Huntington Communities for a Lifetime Owner-Occupied Rehabilitation, Phase Two

Chairman Wuellner recognized Katie Bannon who presented a recommendation regarding City of Huntington Communities for a Lifetime Owner-Occupied Rehabilitation, Phase Two.

Background

Communities for a Lifetime (CfaL) was a 2011 collaboration between IHCDA, state-wide educational institutions, and non-profit organizations. The purpose of CfaL was to assist local Indiana communities in planning for and creating livable communities for people of all ages and abilities.

CfaL selected three Indiana communities, Valparaiso, Linton, and Huntington, for six month planning grants in 2012. Each community prioritized strategies to create desirable and accessible places for people to live throughout all stages of life and developed tangible plans for implementation. IHCDA previously funded some of the projects proposed in the three communities’ plans.

In February 2013, IHCDA designated the City of Huntington as a Community for a Lifetime. In August 2013, IHCDA awarded the City of Huntington Affordable Housing and Community Development funds for sidewalk and curb repair in the Drover Town neighborhood. In September 2013, the City of Huntington received CDBG-D grant funds for the first phase of owner-occupied rehabilitation for 17 homes in and within a few blocks of the Drover Town neighborhood.

Project Summary

This award will be the second phase of the City of Huntington’s owner-occupied rehabilitation project. The program will repair homes for homeowners that are 55 and older or disabled and at or below 80% of area median income. The project will assist 14 homeowners. One half of the homes will be in the Drover Town neighborhood, and the remainder of the homes will be within a few blocks of the Drover Town neighborhood.

Project Name:	City of Huntington Communities for a Lifetime Owner Occupied Rehabilitation, Phase Two
IHCDA Per Unit Subsidy:	\$23,286
CDBG-D Amount Recommended:	\$326,000
Total Project Costs:	\$326,000
Other Funding:	N/A
Location:	City of Huntington, Huntington County
Administrator:	Pathfinder Services, Inc.
Activity:	Owner-Occupied Rehabilitation
Award Type:	CDBG-D Grant

Following discussion, a motion was made by David Miller to approve the allocation of CDBG-D funds to the City of Huntington, in an amount not to exceed \$326,000, for the above-referenced request, as recommended by staff, which was seconded by Mark Pascarella; the motion passed unanimously:

RESOLVED, that the Board approve the allocation of CDBG-D funds to the City of Huntington, in an amount not to exceed \$326,000, for the above-referenced request, as recommended by staff.

B. Affordable Housing and Community Development Fund Loan – Tinker House

Chairman Wuellner recognized Matt Harris who presented a recommendation regarding Affordable Housing and Community Development Fund Loan – Tinker House.

Project Summary

King Park CDC submitted an application requesting Affordable Housing and Community Development Fund (“Development Fund”) dollars to support a rehabilitation project known as Tinker House. The century-old building has been used for various business purposes since its inception in the 1910s.

Conversations around the Tinker House redevelopment began in November 2015. In the interim, IHCDA staff brought this project before the Development Fund Advisory Committee on two separate occasions: 1) to discuss the original application and 2) to discuss changes to the original application.

The original Development Fund application listed a for-profit entity as the borrower. IHCDA staff was not comfortable making a loan to a for-profit entity, so IHCDA staff requested that the ownership interest of the not-for-profit partner be increased. The not-for-profit partner, King Park CDC, was prompt in its response as it agreed to be the borrower.

Additionally, the following items were agreed to serve as collateral: 1) a mortgage against the property and 2) a personal guarantee from the developer for the Tinker House redevelopment project, Antone Najem.

Process

King Park CDC is requesting \$500,000 through its Build Fund, LLC (an entity in which King Park CDC has 100% ownership) to assist in the brownfield redevelopment of a long-vacant, dilapidated building on the northeast side of

Indianapolis, at the corner of Lewis and 16th Streets, east of the Monon Trail. The Development Fund loan will be supplemented by other funds from the Indianapolis Brownfield Program and STAR Bank.

Once complete, the Tinker House will be occupied by a first floor commercial tenant, and the remaining square footage is currently being negotiated between two technology companies.

Following discussion, a motion was made by Scenario Adebessin to approve a Development Fund loan to Build Fund, LLC in an amount not to exceed \$500,000 for Tinker House rehabilitation, as recommended by staff, which was seconded by Kelly Mitchell; the motion passed unanimously:

RESOLVED, that the Board approve a Development Fund loan to Build Fund, LLC in an amount not to exceed \$500,000 for Tinker House rehabilitation, as recommended by staff.

C. Affordable Housing and Community Development Fund – Community Investment Fund of Indiana Operating Support

Chairman Wuellner recognized Matt Rayburn who presented a recommendation regarding Affordable Housing and Community Development Fund – Community Investment Fund of Indiana Operating Support

Chairman Wuellner recognized David Stewart, counsel to the Board and IHCDAs Ethics Officer, who informed the Board that Jacob Sipe and Scenario Adebessin had disclosed potential conflicts of interest with CIFI; and, therefore, should recuse themselves from this agenda item. Chairman Wuellner asked David if quorum would be maintained with Scenario’s abstention. David responded in the affirmative. Jacob and Scenario then left the room.

Background

Since 2010, IHCDAs has been a central partner in the development of a new community development financial institution known as The Community Investment Fund of Indiana, Inc. (“CIFI”). On February 8, 2016, CIFI was certified as a CDFI through the U.S. Department of Treasury’s Community Development Financial Institutions Fund making CIFI the first Indiana-based statewide CDFI. CDFIs share a common goal of expanding economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses. In February 2013, the IHCDAs Board of Directors approved its first \$200,000 operating grant for CIFI. The Board memo and subsequent meeting minutes indicate that this \$200,000 operating grant could be renewed up to two times for a total of \$600,000. The award was viewed as IHCDAs final substantial commitment to CIFI to get the organization operational and sustainable. CIFI has received \$400,000 of this award to date and this request is for the final \$200,000. CIFI is making arrangements to move into a new location no later than April 30, 2016. This item is being brought to the Board instead of IHCDAs Contract Delegation Committee because a potential conflict exists as Jacob Sipe is a member of CIFI’s board of directors.

Operating Support

IHCDAs operating support has been absolutely critical to CIFI’s progress to date and with the final tranche of IHCDAs initial award, the organization will attract additional operating and lending capital to position itself as a strong and independent partner of IHCDAs with deep and broad community support.

The operating support would be used as depicted in the table below:

Line Item	Amount
Salaries/Wages	\$111,833
Benefits	\$20,167
Rent	\$20,333
Legal Expense (Organizational)	\$4,750
Audit Expense	\$16,105
Accounting	\$17,497
Insurance	\$4,720
Consulting and Contract Services	\$4,595
TOTAL:	\$200,000

Project Summary

Project Name:	Community Investment Fund of Indiana General Operating Support
IHCDA Amount Requested:	\$200,000
Amount Recommended:	\$200,000
Total Annual Operating Budget:	\$546,012 (for FYE 06.30.17)
Other Funding:	\$106,008 – Program Revenue \$240,004 – Other Operating Grants and Contributions
Activity:	General Operating Support
Award Type:	Affordable Housing and Community Development Fund Grant

Recommendation

Staff recommends the approval of the final \$200,000 grant to CIFI for general operating support with a term beginning on April 1, 2016 and expiring on March 31, 2017.

Following discussion, a motion was made by Kelly Mitchell to approve an Affordable Housing and Community Development Fund Grant to CIFI in an amount not to exceed \$200,000 to be used as general operating support with a term beginning April 1, 2016 and expiring March 31, 2017, as recommended by staff, which was seconded by David Miller; the motion passed by a majority of the vote with one abstention by Scenario Adebessin.

RESOLVED, that the Board approve an Affordable Housing and Community Development Fund Grant to CIFI in an amount not to exceed \$200,000 to be used as general operating support with a term beginning April 1, 2016 and expiring March 31, 2017, as recommended by staff.

Following the resolution, the Board Secretary retrieved Jacob and Scenario.

D. Ramp Up Program Update

Chairman Wuellner again recognized Matt Rayburn who presented information regarding Ramp Up Program Update.

Following discussion, the Board requested that Matt draft a delegation policy for Ramp Up program awards, to include an update schedule for the Board which will be presented at the April 2016 Board meeting.

III. Community Programs

A. Realignment of Weatherization Service Territory

Chairman Wuellner recognized Ray Judy who presented a recommendation regarding Realignment of Weatherization Service Territory.

Background

The purpose of Indiana’s Low Income Weatherization Assistance Program is to install energy conservation measures and provide client education for the permanent long term benefit of reducing the utility bills of low-income Hoosiers across the state.

As a result of decreased capacity on the part of Northwest Indiana Community Action Agency (“NWICA”), IHCDA and NWICA made a joint determination to allow another weatherization sub-grantee to begin providing weatherization services in three of the four counties in NWICA’s service territory in September 2013. Therefore, weatherization Services to Jasper, Porter, and Newton counties has been provided by North Central Community

Action Agency (“NCCAA”) since 2013. NCCAA also provides weatherization services for LaPorte, Pulaski, and Starke Counties.

In accordance with the allocation formula that was approved by the Board, weatherization funding associated with Jasper, Porter, and Newton Counties represented approximately 30% of the annual weatherization funding that NWICA received through IHCDA. Lake County represents the remaining 70% of funding.

In December 2015, IHCDA and NWICA made a second joint decision to permanently allow another sub-grantee to provide weatherization services to Jasper, Porter, and Newton Counties. NWICA will continue to be the weatherization service provider for Lake County.

Process

On February 3, 2016, IHCDA released a Request for Proposals (RFP) for a weatherization service provider for Jasper, Porter, and Newton Counties. The RFP was posted on IHCDA’s partner and public websites and released through govdelivery.com.

Proposals were due February 29, 2016. NCCAA was the only respondent. However, the review process, utilizing three non-weatherization staff at IHCDA, was still followed. The review team determined that NCCAA’s proposal contained all required documentation and received an overall score of 66 out of 75. In addition to the in-house review process, the RFP process and response were open for public review and comment for ten business days prior to the public hearing that was held March 17, 2016.

Following discussion, a motion was made by Scenario Adebessin to approve the designation of North Central Community Action Agency as the weatherization services provider for Jasper, Porter, and Newton Counties, as recommended by staff, which was seconded by Mark Pascarella; the motion passed unanimously:

RESOLVED, that the Board approve the designation of North Central Community Action Agency as the weatherization services provider for Jasper, Porter, and Newton Counties, as recommended by staff.

IV. Executive

A. Achieving a Better Life Experience

Chairman Wuellner recognized Kelly Mitchell who presented information regarding the Achieving a Better Life Experience (ABLE) law.

Treasurer Mitchell informed the Board that the ABLE law had been signed into law. While there is no funding for the law, it is hoped that an appropriations bill will be introduced in the 2017 Session. ABLE allows parent(s) of a child(ren) with disabilities to open a 529(a) account, which is similar to a 529 college savings plan. This allows the parent(s) to save up to \$1400 per year, \$100,000 total, without affecting the amount of other benefits that might be received from a federal or state program. Treasurer Mitchell is very excited about the new law. Jacob Sipe serves *ex officio* on the ABLE board.

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

B. Executive Update

Chairman Wuellner recognized Jacob Sipe who presented an Executive Update.

Jacob presented the following updates to the Board:

Hardest Hit Fund

HHF has received an additional \$28.5 million in funding for the Unemployment Bridge Program. An application for an additional \$110 million in funding was submitted on March 4, 2016. Mark Neyland did a great job of demonstrating need and performance. This will extend HHF out to 2018. Should IHCD receive the additional funds it will be applied as follows:

- 57% Unemployment Bridge Program
- 22% Blight Elimination Program
- 20% Operation/Administration

IHCDA would like to continue the Faces of Foreclosure ad campaign. Since its launch, there has been a 20% increase in applications and 20% increase in applications and 200% website views.

Jacob would like to provide opportunities for Board members to stay up-to-date on IHCD programs and initiatives. Jacob will be working with Mark Wuellner to identify two or three strategies and will report back to the Board in April. He welcomed ideas from the Board as well.

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

V. Other Business

There being no further business a motion was made by Mark Pasarella to adjourn the meeting, which was seconded by Kelly Mitchell; the motion passed unanimously and the meeting was adjourned at 10:53 a.m.

Respectfully submitted,



Mark J. Wuellner as designee of
Lieutenant Governor, Eric Holcomb

ATTEST:



J. Jacob Sipe
Executive Director for IHCD