



Indiana Housing & Community Development Authority

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

Held: January 28, 2016

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority (“IHCDA” or “Authority”) was held January 28, 2016 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 Adebessin, Andy Place, Sr., 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. Leesa Norton served as Secretary.

I. Approval of Minutes

A. Meeting Minutes

A motion was made by David Miller to approve the December 17, 2015 Meeting Minutes, which was seconded by Andy Place, Sr.; the following Resolution was unanimously approved:

RESOLVED, the Minutes of the Board meeting held December 17, 2015 are hereby approved to be placed in the Minute Book of the Authority.

II. Real Estate

A. City of Richmond Stellar Owner Occupied Rehabilitation Project

Chair Brothers-Bridge recognized Drew Rosenbarger who presented a recommendation regarding the City of Richmond Stellar Owner Occupied Rehabilitation Project.

Background

The City of Richmond is a 2013 Stellar Community and has submitted an application requesting Community Development Block Grant Disaster Recovery (“CDBG-D”) funding to support an Owner Occupied Rehabilitation (“OOR”) project. Its application was reviewed and checked for completeness and threshold requirements.

Project Summary

The City of Richmond, a 2013 Stellar Community, is requesting \$450,000.00 to assist eighteen (18) homeowners with an owner-occupied rehabilitation project in the Vaile neighborhood southeast of downtown Richmond. All beneficiaries will be at or below 80% of area median income.

Following discussion, a motion was made by Scenario Adebessin to approve the allocation of CDBG-D funding, in an amount not to exceed \$450,000.00, for the above-referenced request received during the current review period of the 2015-2016 funding year, as recommended by staff, which was seconded by Kelly Mitchell, the motion passed unanimously:

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RESOLVED, that the Board approve the allocation of CDBG-D funding, in an amount not to exceed \$450,000.00, for the above-referenced request received during the current review period of the 2015-2016 funding year, as recommended by staff.

B. Bond Volume/4% Credits – Prairie Meadows Apartments, Phase II

Chair Brothers-Bridge recognized Alan Rakowski who presented a recommendation regarding Prairie Meadows Apartments, Phase II.

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 may be accomplished by 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 twelfth application received and reviewed represented a total development cost of \$9,865,160 with \$5,072,000 in bond volume and \$295,063 in annual LIHTCs to create seventy-six (76) units of affordable housing.

The proposed 76-unit development is the second phase of three planned phases of the Prairie Meadows development. The property is located near the western boundary of the City of Greenfield. In addition, the existing Phase I of Prairie Meadows is located to the immediate south and operates at a 96% occupancy rate.

Prairie Meadows, Phase II will address an increasing demand for affordable housing in Greenfield, targeting workforce and family housing. The neighborhood is well suited for this type of housing, with health services, education, shopping, and financial services within close proximity. Additionally, U.S. Highway 40 provides convenient access to Greenfield’s Central Business District.

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 January 15, 2016 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 David Miller that the Board approve the allocation of \$5,072,000.00 in bond volume and \$295,063.00 in annual LIHTC to Village Capital Corporation, as recommended by staff, which was seconded by Mark Pascarella, the motion passed unanimously:

RESOLVED, that the Board approve awarding \$5,072,000.00 in bond volume according to the terms of the 2015A-B Application Round and \$295,063.00 in LIHTC according to the terms of the 2015A-B Application Round to Village Capital Corporation as recommended by staff.

III. Community Programs

A. Individual Development Account Program Round 2

Chair Brothers-Bridge recognized Brian Carman who presented a recommendation regarding the Individual Development Account Program Round 2.

Background

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

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

Process

In September 2015, IHCDA released its IDA program application to current program administrators and posted the same on IHCDA’s website. CDCs completed applications and returned them to IHCDA for review. The applications were reviewed to determine the applicant’s capacity to support program administrative duties, facilitate participant recruitment, its history of administering similar programs, and its capacity to take on new accounts.

The Community Programs staff used a formulaic process to allocate funds. Agencies were allocated funds to match new accounts for up to four years plus administrative funds to run the program. IHCDA had a total budget of \$2,000,000 for IDA. On October 19, 2015, the IHCDA Board approved awards totaling \$1,761,884.80 to 19 applicants to use to administer the IDA program. IHCDA retained 2.5% of the budget, or \$50,000, to apply towards its administrative costs which left an unallocated balance of \$188,115.20 in the IDA program budget. Community Programs staff recently received an additional application from an applicant requesting to be awarded the remaining funds to administer the IDA program.

<u>Organization Name</u>	<u>Accounts</u>	<u>Allotment</u>
Transition Resources Corp.	44	\$186,353.20
Total:	44	\$186,353.20

Following discussion, a motion was made by Scenario Adebesin to approve awarding the applicant described in the table above an amount not to exceed \$186,353.20, to be used to administer the IDA program for the 2015-16 program year, as recommended by staff, which was seconded by Kelly Mitchell, the motion passed unanimously:

RESOLVED, that the Board approve awarding the applicant described in the table above an amount not to exceed \$186,353.20, to be used to administer the IDA program for the 2015-16 program year, as recommended by staff.

B. Individual Development Account Tax Credit Round 2

Chair Brothers-Bridge recognized Brian Carman who presented a recommendation regarding Individual Development Account Tax Credit Round 2.

Background

I.C. §6-3.1-18 authorizes IHCDA to allocate an amount not to exceed \$200,000.00 in tax credits during any state fiscal year to entities meeting the definition of community development corporation (“CDC”) as defined in I.C. §4-(00023179-2)

4-28-2 to administer an Individual Development Account (“IDA”) program. The contributions must be deposited into an IDA fund. The CDC may encourage individuals and other entities to make contributions and contributors may qualify for the IDA tax credit. The CDC may use up to twenty percent (20%) of the first \$100,000 deposited each calendar year to pay for the CDC’s expenses related to the administration of IDAs. All deposits over this amount must be used by the CDC to finance additional accounts to be administered by the CDC.

Process

In April of 2015, Community Programs Staff released an application to the current network of IDA program administrators and also posted the application to IHCD’s website. Eligible CDCs were required to submit a program proposal to demonstrate the proposed use of the contributions generated from the IDA tax credits and to estimate the cost of administering the program. On July 23, 2015, the IHCD Board approved IDA tax credit awards totaling \$70,000 for two current program administrators. Recently, one of the awardees requested an increase in its allocation and was approved to receive an additional \$50,000 in IDA tax credits through IHCD’s delegation process. IHCD currently has an unallocated balance of \$80,000 in IDA tax credits. Community Programs staff has recently received an additional application requesting \$25,000 in IDA tax credits.

The application was reviewed to determine the applicant’s capacity to support IDA program administrative duties, facilitate participant recruitment, its history of administering similar programs, demonstration of need in its community, applicable budget, and how the program will be evaluated.

<u>Applicant</u>	<u>Amount Requested</u>	<u>Recommendation</u>
Indianapolis Neighborhood Housing Partnership	\$25,000	\$25,000
Total:	\$25,000	\$25,000

Following discussion, a motion was made by Mark Pascarella that the Board approve awarding the applicant listed in the table above an allocation of IDA tax credits in an amount not to exceed \$25,000 for the 2015-16 State fiscal year, as recommended by staff; which was seconded by David Miller; the motion passed unanimously:

RESOLVED, that the Board approve awarding the applicant listed in the table above an amount not to exceed \$25,000 in IDA tax credits for the 2015-16 State fiscal year, as recommended by staff.

IV. Finance

A. Prairie Meadows Phase II Multi-Family Bond Resolution

Chair Brothers-Bridge recognized Blake Blanch who presented a recommendation regarding the Prairie Meadows Phase II Multi-Family Bond Resolution.

Background

This memo and the resolution attached hereto as “Exhibit A” respectfully requests approval for the issuance of the Series 2016 Housing Revenue Bonds for the Prairie Meadows Apartments, Phase II Project (the “Bonds”).

Process

The Bonds will be issued on behalf of Village Capital Corporation (the “Borrower”). Indiana Housing and Community Development Authority (the “Authority”) will serve as a conduit issuer for the Bonds; thereby, loaning the proceeds to the Borrower to finance the acquisition, construction, and equipping of Prairie Meadows Apartments Phase II, a residential rental development. **The Bonds are backed solely by the revenues derived from the development and will not constitute a debt, liability, or obligation of the Authority or the State of Indiana.**

The Prairie Meadows Apartments Phase II project will be an 76-unit residential rental development located at 2915 Sweet Grass Lane, in Greenfield, Indiana. The initial allocation of the 4% tax credits and bond volume is scheduled to be approved by the Board at the January 2016 meeting. With the Authority serving as the issuer of the bonds, an additional approval by the Board, in addition to the approval of the allocation of tax credits and bond volume is necessary.

Following discussion, a motion was made by Mark Pascarella that the Board approve the Series 2016 Multifamily Housing Revenue Bonds for the Prairie Meadows Apartments, Phase II Project pursuant to the Resolution attached hereto as Exhibit "A" as recommended by staff, which was seconded by David Miller; the motion passed unanimously:

RESOLVED, that the Board approve the Series 2016 Multifamily Housing Revenue Bonds for the Prairie Meadows Apartments, Phase II Project pursuant to the Resolution attached hereto as Exhibit "A" as recommended by staff.

VI. Executive

Executive Update

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

Jacob Sipe made the following remarks:

1. Staffing Update:

- A. David Stewart is IHCD's new General Counsel, congratulations David.
 - i. He has served 2 1/5 years with IHCD.
 - ii. He has previous experience as the General Counsel for the Indiana Criminal Justice Institute and with the Indiana Office of the Attorney General as a Deputy Attorney General.

2. Point-In Time Update:

- A. The Point in Time count was scheduled for January 27th. A small number of regions are completing the count at service-based locations on January 28th. IHCD's community service team reviewed volunteer interaction with homeless person and Emily Harris-Shears spent time with one shelter.
- B. Continuous Improvement tools were used this year to identify opportunities for small changes and efficiencies which resulted in fewer process steps, more transparency in community information (one-pagers created, recorded webinars).
- C. The results of the Point in Time Count will be shared in June or July.

3. Stellar Update:

- A. January 27th was the kick off for Stellar 2016.
- B. The following agencies are involved: IHCD, OCRA, INDOT, IFA, OSBE, Tourism, Serve Indiana, INHealth, Indiana Arts Commission and Indiana Bond Bank.
- C. The Indiana Bond Bank and the Indiana Arts Commission are new to this program.
- D. IHCD provides technical assistance and the following set asides: 10% LIHTC, \$500,000 HOME, \$250,000 CDBG, \$500,000 Development Fund.

4. 2015 A-133 Audit Update:

- A. Compliance audit of Weatherization, CDBG, and LIHEAP programs.
- B. Field work has been completed except for the review of a few reports due at the end of January.
- C. Anticipate one compliance finding related to the 2016 LIHEAP agreements which have since been amended. The finding will be shown as corrected in the report.
- D. Field work for financial audit will take place March 14 – 18 and March 21 – 25.

5. Hoosier Uplands celebrated their 50th Anniversary on January 24th.

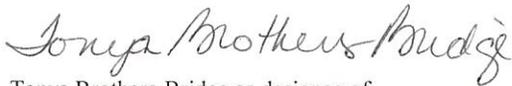
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No action was required as this was an update to the Board.

VII. Other Business

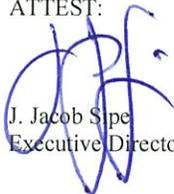
There being no further business a motion was made by Mark Pascarella to adjourn the meeting, and the meeting was adjourned at 10:25 a.m.

Respectfully submitted,



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

ATTEST:



J. Jacob Sipe
Executive Director for IHCD

**RESOLUTION OF THE
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
CONCERNING THE ISSUANCE OF
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
MULTIFAMILY HOUSING REVENUE NOTES, SERIES 2016A
(PRAIRIE MEADOWS APARTMENTS, PHASE II 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, Village Capital Corporation, an Indiana corporation (the "Borrower") submitted application materials and other information to the Authority and has requested that the Authority make a loan to the Borrower (the "Loan") through the issuance of revenue bonds or notes to assist in the financing of the acquisition, construction, improving, installation and equipping of privately owned real and personal property comprising a multifamily housing complex, located at or near 2915 Sweet Grass Lane, Greenfield, Indiana, containing 76 affordable living units (the "Project"); and

WHEREAS, the Act specifically empowers the Authority to issue revenue notes and make loans of the proceeds thereof in order to carry out and effectuate its purposes, the payment of principal of and interest on such revenue notes to be paid solely from the revenues derived from operations and loan repayments of a development and in no manner from the general funds of the Authority; and

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WHEREAS, the Authority staff has reviewed the application materials and other information submitted by the Borrower and has made a recommendation to the Executive Director and a determination that the Project is eligible for financing with a Loan; and

WHEREAS, the Authority staff has completed its review of the Project and the Executive Director, based upon the Authority staff analysis, has recommended that the Authority make a Loan to the Borrower with respect to the Project; and

WHEREAS, the Authority has reviewed the Authority staff analysis and recommendation of the Executive Director and has determined that the Project meets the requirements of the Act and the rules and regulations of the Authority; and

WHEREAS, the Authority has determined to issue its revenue bonds or notes to assist in financing the Project, which revenue bonds or notes will not constitute a debt, liability or obligation of the State of Indiana or the Authority or a pledge of the faith and credit of the State of Indiana or the Authority, but shall be payable solely from the revenues of the Project and loan repayments made to the Authority by the Borrower;

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

1. The legislative findings of the Indiana General Assembly itemized in IC 5-20-1-1, Section 1 of the Act hereby are ratified and confirmed and it is specifically found that:

(a) there continues to exist 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 Indiana residents and which will require an excessive expenditure of public funds for social programs thus created;

(b) private enterprise and investment continue to be able to more adequately produce the needed construction of adequate safe and sanitary residential housing at prices which persons and families of low and moderate income can afford or to achieve the urgently needed rehabilitation of the present low and moderate income housing, and that private enterprise and investment be encouraged to sponsor, build and rehabilitate residential housing for such persons and families;

(c) 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 a cost they could afford continues to be a valid purpose for which public moneys may be spent; and

(d) there exists a need in the State to stimulate the residential housing industry.

2. The Authority hereby makes the following additional findings and determinations in connection with the Loan to be made by the Authority with proceeds of the Notes to assist in the financing of the Project:

(a) The Loan to the Borrower pursuant to the Loan Agreement (as defined herein) accomplishes the purposes of the Authority by permitting the Borrower to provide decent, safe and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at a cost they could afford;

(b) Based upon representations made and information presented by the Borrower:

(i) There exists a need for continued safe and sanitary housing within the financial means of persons and families of low and moderate income and within the general housing market area to be served by the proposed Project;

(ii) The financing of the Project will assist private enterprise and investment in providing decent, safe, and sanitary residential housing at rentals which persons of low and moderate income can afford;

(iii) The Borrower will supply well-planned, well-designed residential housing for persons of low and moderate income;

(iv) The Borrower is financially responsible; and

(v) The proposed Project will be of public use and will provide a public benefit.

3. The issuance and sale by the Authority of its Multifamily Housing Revenue Notes in one or more series and the use of the funds therefrom to make a Loan to the Borrower to finance a portion of the costs of the Project in accordance with the Act are hereby determined to be consistent in all respects with the purposes for which the Authority was created and exists.

4. The Authority hereby authorizes the making of a Loan to the Borrower with proceeds of the Notes (as defined herein) with respect to the Project. The Loan Agreement or Loan Agreements (as defined herein) shall include conditions requiring the Borrower to comply with all provisions of the Act and the rules and regulations of the Authority and any other requirements deemed necessary or appropriate by the Executive Director and the Authority staff. The interest rate with respect to the Loan, the estimated total development cost of the Project and the initial principal amount of the Loan, together with terms and conditions applicable to any equity contribution by the Borrower, assurances of successful completion and operational stability of the Project, procedures for the determination of the total development costs and the final principal amount of the Loan, the term and amortization requirements of the Loan, related matters and terms and conditions shall be as set forth in the Loan Agreements.

5. To further the purposes of the Authority under the Act, the Authority hereby authorizes and ratifies: (i) the issuance of its Multifamily Housing Revenue Notes, Series 2016A (Prairie Meadows Apartments, Phase II Project) in one or more series on a first and second lien basis in an aggregate principal amount not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000) (the "Notes"), issued as variable rate notes bearing interest initially at the rate not to exceed one-month LIBOR plus 5% on a variable rate basis or 7% on a fixed rate basis and maturing no later than fifty (50) years from the date of issue, issued pursuant to the terms of the Loan Agreements; (ii) the loan of the proceeds of the Notes by the Authority to the Borrower pursuant to the terms of a Note Purchase and Loan Agreement among the Authority, the Borrower and United Fidelity Bank, fsb (the "Loan Agreement") with such appropriate changes to reflect the senior/subordinate structure of the Notes and series designation of the Notes; (iii) the regulation of the Project pursuant to the Regulatory Agreement between the Authority and the Borrower (the "Land Use Restriction Agreement") with such appropriate changes to reflect the series designation of the Notes; and (iv) the use of the proceeds received from the sale of the

Notes in accordance with the terms of the Loan Agreement and in accordance with the Act and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code").

6. The Authority hereby approves the substantially final forms of the Loan Agreement and the Regulatory Agreement (all such foregoing documents referred to collectively as the "Note Documents"). The forms of the Note 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 Note 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, and to take such further actions necessary or appropriate to approve the sale and issuance of the Notes, such approvals to be conclusively evidenced by their execution of the Notes.

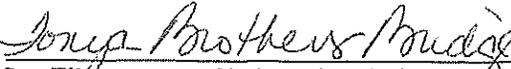
7. The Authority hereby delegates to the Authorized Officers the authority to execute and deliver the Note Documents provided that any of the Authorized Officers acting alone is authorized and has full power to execute and deliver the Note Documents, as appropriate, and hereby authorizes the Authorized Officers to take such further actions necessary and appropriate to approve the sale and issuance of the Notes.

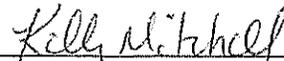
8. The Authorized Officers are each authorized to execute such other documents and to take any and all other actions on behalf of the Authority as may be necessary or appropriate to carry out and implement the purposes of this Resolution, including the execution and delivery of any certificates or other agreements in connection therewith. The Chairman and the Executive Director are hereby authorized to execute and deliver the Notes by manual or facsimile signature pursuant to the Loan Agreement.

9. The Authority hereby agrees to cooperate with the Borrower in establishing documentation sufficient to provide for post-issuance compliance with respect to the Notes under the Code and the regulations promulgated thereunder. Any one of the Authorized Officers is hereby specifically authorized and empowered to execute and deliver such certificates and enter into such agreements concerning such post-issuance compliance.

APPROVED AND ADOPTED this 28th day of January, 2016, in Indianapolis, Indiana.

INDIANA HOUSING AND COMMUNITY
DEVELOPMENT AUTHORITY

By: 
Sue Ellspermann, Chair, or her designee

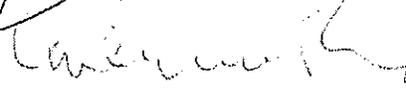
By: 
Kelly Mitchell, Vice Chair, or her designee

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

By: _____
Thomas K. McGowan

By: 
Scenario Adebisin

By: 
David Miller

By: 
Andy Place, Sr.

ATTEST:

By: 
J. Jacob Sipe
Executive Director