



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

Held: March 22, 2012

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority (“IHCDA” or “Authority”) was held March 22, 2012 at 10:00 a.m. at 30 South Meridian Street, Suite 1000, Indianapolis, Indiana 46204.

The following individuals were present at the meeting: Dan Salefski (Public Finance Director of the State of Indiana delegate), Jillean Battle (Treasurer of the State of Indiana delegate), Pat Gamble-Moore, David Miller, Tom McGowan, Lu Porter, Sherry Seiwert (Executive Director for IHCDA), members of the staff of the Authority, and the general public. David Terrell (Lieutenant Governor delegate) was not present.

Jillean Battle served as Chair of the meeting, and upon noting the presence of a quorum, called the meeting to order. Gina S. Jones served as Secretary.

I. APPROVAL OF PRIOR MEETING MINUTES

A. February 23, 2012 Meeting Minutes

A motion was made by David Miller to approve the February 23, 2012 Meeting Minutes, which was seconded by Tom McGowan; the following Resolution was unanimously approved:

RESOLVED, the Minutes of the Board meeting held February 23, 2012, are hereby approved to be placed in the Minute Book of the Authority.

II. REAL ESTATE

A. Disaster Response – Rebuilding Through Homeownership

Chairman Battle recognized Jacob Sipe who presented information regarding the disaster response – rebuilding through homeownership initiative.

Background:

On March 2, 2012 severe storms and tornadoes caused widespread destruction resulting in significant displacement of Hoosiers from their homes. On March 9, 2012 the President declared a federal disaster in the counties of Clark, Jefferson, Ripley, Scott, Warrick, and Washington.

As of March 8, 2012 damage assessments indicated the following:

- 193 homes destroyed
 - Clark – 108
 - Jefferson – 10
 - Ripley – 17
 - Scott – 7
 - Warrick – 6
 - Washington – 45

- 88 incidents of major damage (damage that will take more than 30 days to repair)
- 108 incidents of minor damage
- 90 additional homes adversely affected

Process:

From day one, IHCDCA has participated in the State’s “One Stop Shop” for disaster victims. Now, IHCDCA is looking to provide long-term solutions to the affected areas and residents. To begin, IHCDCA plans to host a roundtable discussion with potential partners to discuss rebuilding these communities through homeownership. Through this discussion, IHCDCA will identify the unique circumstances, characteristics, and potential challenges of rebuilding using homeownership. In addition, the discussion will include strategic roles of potential partners to avoid duplication of rebuilding efforts and resources.

Potential Partners include, but are not limited to, the following:

- Community Action Program, Inc. of Evansville and Vanderburgh County
- Community Action of Southern Indiana
- Habitat for Humanity of Indiana
- Heart House
- Hoosier Uplands Economic Development Corporation
- Jefferson Housing Services Corporation
- Lifetime Resources
- New Hope Services, Inc.
- Southeastern Indiana Community Preservation and Development Corporation
- Southern Indiana Housing & Community Development Corporation

Subsequently, IHCDCA will accept applications from our partners for homebuyer new construction or rehabilitation projects. IHCDCA will accept and review applications and award funds as set forth in the Strategic Investment Process. Applications will be evaluated using the existing criteria.

Recommendation:

To respond nimbly and provide funds as quickly as possible to help displaced Hoosiers regain homeownership, IHCDCA wishes to streamline the usual process of obtaining Board approval for each award. As such, IHCDCA requests approval to set aside an amount not to exceed \$3,000,000 in HOME funds for homebuyer new construction or rehabilitation projects designed to rebuild the communities in Clark, Jefferson, Ripley, Scott, Warrick, and Washington counties. IHCDCA would further request that the Board delegate to the Chief Real Estate Development Officer (CREDO) the authority to approve applications that meet the Strategic Investment Process criteria and award funds from the set-aside accordingly.

CREDO will provide monthly updates to the Board regarding the status of each application.

Following discussion a motion was made by Tom McGowan that the Board authorize IHCDCA to set aside a total of \$3,000,000 in HOME Investment Partnership Funds for homebuyer new construction or rehabilitation projects designed to rebuild the communities in Clark, Jefferson, Ripley, Scott, Warrick, and Washington counties as a result of the March 2 – 3, 2012 disasters, which was seconded by Lu Porter. The motion passed by majority vote, with one abstention from David Miller. The Chairman did not vote on this motion;

RESOLVED, that the Board authorize IHCDCA to set aside a total of \$3,000,000 in HOME Investment Partnership Funds for homebuyer new construction or rehabilitation projects designed to rebuild the communities in Clark, Jefferson, Ripley, Scott, Warrick, and Washington counties as a result of the March 2 – 3, 2012 disasters.

Following discussion an additional motion was made by Dan Salefski that the Board delegate authority to the CREDO to: (a) approve applications for homebuyer new construction or rehabilitation under the \$3,000,000 set-aside that meet the Strategic Investment Process criteria and (b) award funds from the set-aside accordingly, until the earlier of the exhaustion of the \$3,000,000 set-aside or December 31, 2012,

which was seconded by Lu Porter. The motion passed by majority vote, with one abstention from David Miller. The Chairman did not vote on this motion;

RESOLVED, that the Board delegate authority to the CREDO to: (a) approve applications for homebuyer new construction or rehabilitation under the \$3,000,000 set-aside that meet the Strategic Investment Process criteria and (b) award funds from the set-aside accordingly, until the earlier of the exhaustion of the \$3,000,000 set-aside or December 31, 2012.

Following discussion an additional motion was made by Tom McGowan that the Board instruct the Executive Director to include in her monthly report any activity taken under the delegated authority granted under this memorandum, and, as requested by the Board, provide periodic reports on the status of the housing-related disaster relief efforts in the affected communities, which was seconded by Dan Salefski. The motion passed by majority vote, with one abstention from David Miller. The Chairman did not vote on this motion;

RESOLVED, that the Board instruct the Executive Director to include in her monthly report any activity taken under the delegated authority granted under this memorandum, and, as requested by the Board, provide periodic reports on the status of the housing-related disaster relief efforts in the affected communities.

B. IHCD Strategic Funding Process Recommendations

Chairman Battle recognized the following individuals who presented information regarding IHCD's Strategic Funding Process Recommendations:

- Mark Young City of Greencastle (Stellar Communities Pilot Program);
- Carmen Lethig Habitat for Humanity of Whitley County Emergency Repairs;
 Habitat for Humanity of Whitley County Homeowner Repairs;
 Blue River Services, Inc. HOME CHDO Seed Money Loan;
 Town of Oolitic Homeowner Rehabilitation; and
- Greg Majewski Oaklawn Psychiatric Center.

Staff recommended six (6) projects for Board approval, as follows:

i. City of Greencastle (Stellar Communities Pilot Program)

Background:

Indiana's Stellar Communities Pilot Program is a collaborative effort of INDOT, IHCD and OCRA that sought to engage two communities to achieve a three-year revitalization strategy. In the revitalization strategy communities identified areas of interest and types of projects, produced a schedule to complete projects, produced cost estimates, identified local match amounts, additional funding resources, indicated the level of community impact, and described the significance each project will have on the overall comprehensive revitalization of the community. From this revitalization strategy, communities produced a three-year community investment plan which will identified capital and quality of life projects to be completed during that period.

In March 2011 the Lieutenant Governor announced the two selected Stellar Communities were Greencastle and North Vernon. With the announcement, participating state agencies agreed to fund over \$31 million dollars worth of projects in the respective communities. IHCD anticipates bringing multiple requests to the Board to fund the Stellar Community initiative over the next three years.

Project Summary:

The Greencastle Putnam Development Center Inc. (GPDC) is requesting \$1,500,000 in order to renovate an existing building in the city's central business district. The GPDC is partnering with Kite Development Group to renovate and construct a new campus bookstore, Starbucks and housing as part of its Stellar Community effort. The funding will be structured as a loan accruing interest at 0.25% annually that will be

subordinate to the permanent debt and will be repaid when the building changes ownership or in 10 years whichever is sooner.

Project Name:	City of Greencastle Stellar Communities Bookstore
IHCDA Amount Requested:	\$1,500,000
Match Amount:	\$1,070,766
Total Cost:	\$2,570,766
Location:	Putnam County
Activity:	Bookstore renovation and construction
Award Type:	Loan; 0.25% interest annually

Following discussion a motion was made by Pat Gamble-Moore to approve the allocation of Development Fund funding to the Greencastle Putnam County Development Center Incorporated, in an amount not to exceed \$1,500,000, for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff, which was seconded by David Miller. The motion passed by majority vote, with one abstention from Tom McGowan. The Chairman did not vote on this motion;

RESOLVED, that the Board approve the allocation of Development Fund funding to the Greencastle Putnam County Development Center Incorporated, in an amount not to exceed \$1,500,000, for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff.

ii. Habitat for Humanity of Whitley County Emergency Repairs

Project Summary:

Habitat for Humanity of Whitley County, Inc. is requesting \$60,000 to assist up to 6 homeowners with emergency repairs as documented by the local building inspector. If not addressed, the home's condition will create a health and safety hazard that could result in the resident no longer being able to live in the home. Repairs will only be eligible on homes located within Whitley County whose residents have incomes at or below 80% of the area median income. This request meets IHCDA's emergency home repair funding option.

Project Name:	HfH of Whitley County Emergency Repairs
IHCDA Amount Requested:	\$60,000.00
CDBG-D Amount Recommended:	\$60,000.00
Per Unit Subsidy:	\$10,000.00
Total Project Costs:	\$60,000.00
Location:	Whitley County
Activity:	Emergency Homeowner Repair (OOR)
Award Type:	Recoverable Grant

Following discussion a motion was made by David Miller to approve the allocation of CDBG-D funding, in an amount not to exceed \$60,000 for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff, which was seconded by Lu Porter. The Chairman did not vote on this motion;

RESOLVED, that the Board approve the allocation of CDBG-D funding, in an amount not to exceed \$60,000 for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff.

iii. Habitat for Humanity of Whitley County Homeowner Repairs

Project Summary:

Habitat for Humanity of Whitley County, Inc. is requesting \$40,000 to assist up to 4 homeowners with owner occupied rehabilitation projects under the Aging in Place priority. Repairs will only be eligible on homes located within Whitley County whose residents have incomes at or below 80% of the area median income. All beneficiaries will be either disabled and/or 55 years of age or older. This request meets IHCDA's emergency home repair funding option.

Project Name:	HfH of Whitley County Homeowner Repairs
IHCDA Amount Requested:	\$40,000.00
CDBG-D Amount Recommended:	\$40,000.00
Per Unit Subsidy:	\$10,000.00
Total Project Costs:	\$40,000.00
Location:	Whitley County
Activity:	Owner Occupied Rehabilitation
Award Type:	Recoverable Grant

Following discussion a motion was made by Tom McGowan to approve the allocation of CDBG-D funding, in an amount not to exceed \$40,000 for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff, which was seconded by Dan Salefski. The Chairman did not vote on this motion;

RESOLVED, that the Board approve the allocation of CDBG-D funding, in an amount not to exceed \$40,000 for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff.

iv. Blue River Services, Inc. HOME CHDO Seed Money Loan

Project Summary:

Blue River Services, Inc. is requesting a \$20,000 HOME CHDO Seed Money loan in order to perform eligible predevelopment expenditures for Country Trace Apartments Phase II under the Aging in Place priority.

Project Name:	Blue River Services, Inc. HOME CHDO Seed Money Loan
IHCDA Amount Requested:	\$20,000.00
HOME Amount Recommended:	\$20,000.00
Location:	Harrison County
Activity:	CHDO Seed Money Loan for a future rental new construction project
Award Type:	Loan

Following discussion a motion was made by Dan Salefski to approve the allocation of HOME CHDO funding, in an amount not to exceed \$20,000 for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff, which was seconded by David Miller. The Chairman did not vote on this motion;

RESOLVED, that the Board approve the allocation of HOME CHDO funding, in an amount not to exceed \$20,000 for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff.

v. Town of Oolitic Homeowner Rehabilitation

Project Summary:

The Town of Oolitic is requesting \$173,500 in order to administer an owner occupied rehabilitation project under the Aging in Place priority. The Town is proposing to rehabilitate 8 units whose residents have incomes at or below 80% of the area median. All beneficiaries will be either disabled and/or 55 years of age or older.

Project Name:	Town of Oolitic Homeowner Rehabilitation
IHCDA Amount Requested:	\$173,500.00
CDBG Amount Recommended:	\$173,500.00
Per Unit Subsidy:	\$21,687.50
Total Project Costs:	\$196,872.00
Other Funds:	\$23,372.00 Rural Development Housing Preservation Grant
Location:	Lawrence County
Activity:	Owner Occupied Rehabilitation
Award Type:	Recoverable Grant

Following discussion a motion was made by Lu Porter to approve the allocation of CDBG funding, in an amount not to exceed \$173,500 for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff, which was seconded by Pat Gamble-Moore. The Chairman did not vote on this motion;

RESOLVED, that the Board approve the allocation of CDBG funding, in an amount not to exceed \$173,500 for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff.

vi. Oaklawn Psychiatric Center

Project Summary:

Oaklawn Psychiatric Center is seeking to purchase a 29-unit permanent supportive housing facility which is currently in receivership. Oaklawn provides mental health services for the facility's residents. A local university is also known to have interest in purchasing the facility, with the desire to convert the building into student housing, which would displace the residents which Oaklawn serves. Oaklawn is requesting \$750,000 to purchase the structure and an additional \$250,000 to make capital improvements. This project fulfills IHEDA's priority of ending homelessness.

Project Name:	East Bank Village Apartments
IHEDA Amount Requested:	\$1,000,000.00
HOME Amount Recommended:	\$750,000.00 (grant)
Development Fund Amount Recommended:	\$250,000.00 (loan)
Per Unit Subsidy:	\$34,482.76
Total Project Costs:	\$1,000,000.00
Location:	South Bend, St. Joseph County
Activity:	Acquisition / Rehabilitation
Award Type:	Grant / 2% Loan

Following discussion a motion was made by David Miller to approve a grant of HOME funds, in an amount not to exceed \$750,000 and a loan of Affordable Housing and Community Development funds in an amount not to exceed \$250,000, for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff, which was seconded by Tom McGowan. The Chairman did not vote on this motion;

RESOLVED, that the Board approve a grant of HOME funds, in an amount not to exceed \$750,000 and a loan of Affordable Housing and Community Development funds in an amount not to exceed \$250,000, for the above-referenced request received during the current review period of the 2011-2012 funding year, as recommended by staff.

III. ENERGY

A. Vectren/CLEAResult Demand Side Management Program

Chairman Battle recognized Paul Krievins who presented information regarding the Vectren/CLEAResult Demand Side Management Program.

Background:

In 2011, IHEDA was approached by CLEAResult Consulting Inc., a professional energy portfolio management firm, to assist in the delivery of a Low-Income Weatherization program to Vectren Energy Delivery clients throughout southern Indiana. Vectren is obligated, through rulings by the Indiana Utility Regulatory Commission, to reinvest a sum of money back into energy efficiency programs (also commonly referred to as Demand Side Management or DSM). CLEAResult is currently the energy manager for all of Vectren's natural gas-related energy efficiency efforts.

Process:

CLEAResult approached IHCDa with the idea of a one-year, piggyback style program, whereby funds contributed by Vectren for certain activities in the home would simply buy down amount of federal funding needed to pay for all of the upgrades. This type of program is common amongst utility companies looking to leverage their investment against a much larger federal program. The program would offer fixed rebate levels for given upgrades, payable upon completion.

The program runs through the non-profit agencies providing weatherization services for IHCDa in Vectren's northern gas service territory. The northern gas territory is large, encompassing nearly 3/5 of all Indiana counties. Funds would be available to the non-profits on a first-come, first-served basis, with agencies only being reimbursed after they can show completed work on a home.

The total value of the contract with CLEAResult would be \$194,450 and would include \$13,000 for IHCDa administrative expenses, and \$181,450 for upgrade reimbursement.

Recommendation:

IHCDa Energy Department staff recommends entering into a one-year contract with CLEAResult for an amount not to exceed \$194,450 for the delivery of a Low-Income Weatherization program.

Following discussion a motion was made by Lu Porter to approve entering into a one year contract with CLEAResult Consulting Inc. in the amount of \$194,450.00 to deliver low-income weatherization services on behalf of Vectren Energy Delivery, which was seconded by Pat Gamble-Moore. The Chairman did not vote on this motion;

RESOLVED, that the Board approve entering into a one year contract with CLEAResult Consulting Inc. in the amount of \$194,450.00 to deliver low-income weatherization services on behalf of Vectren Energy Delivery.

B. Down Payment Assistance with Weatherization Program Pilot

Chairman Battle again recognized Paul Kricvins who presented information regarding the Down Payment Assistance with Weatherization Program Pilot.

Background:

Since 2008-2009, IHCDa staff has worked to combine the benefits of weatherization with the advantages of down payment assistance for low-income homebuyers. The combination of programs offers low-income Hoosiers upfront purchasing assistance and long-term utility affordability. It also incents realtor/lender involvement in down payment assistance programs and helps new homebuyers better manage unknown and often unpredictable utility costs.

In 2012, the Single Family Department and Energy Department determined that a pilot of this idea would be possible using First Home Plus funding for down payment assistance and IHCDa Development Fund dollars for weatherization. Based on the federal weatherization program, it was determined that an average investment of \$6,000 per home for weatherization upgrades would provide the best value of investment and utility savings.

Process:

Because the success of this pilot will depend largely on the down payment assistance utilization within a given community, IHCDa has opted to limit the program to four communities around the state: Allen, St. Joseph, Vigo, and Marion counties. Each of these communities has a large pool of potential homebuyers, realtors and lenders that could promote the program, and a local Community Action Agency that can manage the weatherization process.

The Community Action Agency serving each of the identified counties will be awarded \$60,000 in weatherization funding and with the goal of serving a minimum of 10 homes with these paired funds. More homes may be considered if the average weatherization investment per home ends up being less than the

projected \$6,000. If a community is not able to identify a significant number of homes within 4 months of the program roll-out, funds may be moved to another county.

IHCDA's Single Family Department will manage the marketing and down payment side of the program with the Energy Department taking over when the home has been closed on and the homeowner has occupied the home. Eligibility for this program will be based on the First Home Plus income limitation of 80% of Area Median Income.

When a home has received down payment assistance and the IHCDA Energy Department directs the Community Action Agency to proceed with work on the home, they will begin by conducting an energy audit. The audit will show where energy saving opportunities exist, and which upgrades are the most cost effective for the home. If all of the needed upgrades cannot be provided with the \$6,000 available, the homeowner will get the most necessary work done up to the limit and then be left with an inventory of items which they can undertake when time and money allow. Homebuyers will also receive coaching on annual maintenance, energy efficient habits, and the operation of their HVAC systems.

Recommendation:

Energy Department staff recommends approving the use of \$240,000 in Affordable Housing and Community Development Fund resources to fund the weatherization services portion of a combination Down Payment Assistance/Weatherization pilot program.

Following discussion a motion was made by Tom McGowan to approve authorizing IHCDA to use \$240,000 in Affordable Housing and Community Development Fund resources to fund the weatherization services portion of a combination Down Payment Assistance and Weatherization pilot program in 2012, as recommended by staff, which was seconded by David Miller. The Chairman did not vote on this motion;

RESOLVED, that the Board approve authorizing IHCDA to use \$240,000 in Affordable Housing and Community Development Fund resources to fund the weatherization services portion of a combination Down Payment Assistance and Weatherization pilot program in 2012, as recommended by staff.

IV. EXECUTIVE

A. Indiana Stellar Communities Program Planning Grants

Chairman Battle again recognized Mark Young who presented information regarding Indiana Stellar Communities Program Planning Grants.

Background:

Indiana's Stellar Communities Program is a collaborative effort of INDOT, IHCDA and OCRA seeking to engage two communities to achieve a three-year revitalization strategy. In the revitalization strategy communities will identify areas of interest and types of projects, produce a schedule to complete projects, produce cost estimates, identify local match amounts, sources, and additional funding resources, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the community. From this revitalization strategy, communities will produce a three-year community investment plan which will identify capital and quality of life projects to be completed during that period.

Process:

Eligible Applicants are Local Units of Government that are not located within an entitlement community. The applicant would also be expected to identify a development team to plan and monitor implementation, which included individuals with expertise and experience in successful community and economic development, project development and/or housing finance and development.

Letters of Interest were submitted by forty (40) interested communities on February 10, 2012. Those letters were evaluated based on the regional value-added impact, reasonableness of the scope of project, financial

viability of the project and resource availability and utilization by the participant. After evaluation seven (7) communities listed below were selected to respond with a full Request for Proposal (RFP).

City of Crawfordsville	City of Petersburg
Town of Whitestown	City of Auburn
City of Richmond	City of Princeton
City of Delphi	

INDOT, IHCD and OCRA have determined that planning grants would be of benefit to the communities selected to assist with the cost of responding to the RFP. IHCD has the available resources to provide each community with a Ten Thousand Dollar (\$10,000) Development Fund grant to assist with planning activities.

Following discussion a motion was made by Pat Gamble-Moore to approve awarding each of the selected communities a Ten Thousand Dollar (\$10,000) planning grant from the Affordable Housing and Community Development Fund for an amount not to exceed Seventy Thousand Dollars (\$70,000), as recommended by staff, which was seconded by Tom McGowan. The Chairman did not vote on this motion;

RESOLVED, that the Board approve awarding each of the selected communities a Ten Thousand Dollar (\$10,000) planning grant from the Affordable Housing and Community Development Fund for an amount not to exceed Seventy Thousand Dollars (\$70,000), as recommended by staff.

B. Report of Delegation and Economic Stimulus Update

Chairman Battle recognized Sherry Seiwert who updated the Board on contracts which fell under the Board's delegation of authority to staff. On February 26, 2009 the IHCD Board authorized the Executive Director to take all action necessary to obtain, accept and begin distributing ARRA funds, if those actions are approved by the Stimulus Panel and are recommended by the executive management committee created for this purpose. On July 23, 2009 the IHCD Board also approved a Delegation Policy by which the Board delegated certain decision-making authority to the Executive Director. On October 28, 2010, the IHCD Board approved revising the 2009-2010 Delegation Policy. The Executive Director has approved the items attached hereto as Exhibit A.

No action was required, as this was an update to the Board on delegated authority.

V. OTHER BUSINESS

Chairman Battle recognized Mark Wuellner, who presented information regarding the state's energy assistance efforts in the 2012 legislative session.

House Bill 1141 provides for a mortgage foreclosure mitigation settlement fund which will fund the creation of a state energy assistance program for homeowners only, to be mirrored off the federal Low Income Home Energy Assistance Program (LIHEAP). The fund consists primarily of money received by the state under the multistate agreement related to litigation concerning mortgage foreclosure activities, and IHCD will receive funds annually equal to the amount of retail taxes paid on the prior year's LIHEAP client benefits.

There being no further business the meeting was adjourned at 11:13 a.m.

Respectfully Submitted,



Jillean Battle, as designee of
Treasurer of the State of Indiana, Richard E. Mourdock

ATTEST:



Sherry Sciwert