



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

Held: January 22, 2015

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority (“IHCDA” or “Authority”) was held January 22, 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), Tom McGowan, Pat Gamble-Moore, David Miller, Lu Porter, Jacob Sipe (Executive Director for IHCDA), members of the staff of the Authority, and the general public.

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

I. Approval of Minutes

A. Meeting Minutes

A motion was made by Lu Porter to approve the December 18, 2014 Meeting Minutes, which was seconded by David Miller; the following Resolution was unanimously approved:

RESOLVED, the Minutes of the Board meeting held December 18, 2014, are hereby approved to be placed in the Minute Book of the Authority.

II. Real Estate

A. Design and Construction Review Update

Chairman Brothers-Bridge recognized Adrienne Schmetzer who presented information regarding Design and Construction Review.

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

III. Finance

A. Delaware Trace Apartments Phase II Multi-Family Bond Resolution

Chairman Brothers-Bridge recognized Blake Blanch who presented information regarding Delaware Trace Apartments Phase II Multi-Family Bond Resolution.

Background

This memo and the attached resolution respectfully requests approval for the issuance of the Series 2015 Housing Revenue Bonds (Delaware Trace, Phase II Apartments 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 a residential rental development (Delaware Trace Phase II Apartments). **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.**

Delaware Trace Phase II Apartments Project, located in Evansville, Indiana, is an 80 unit development making up the second phase of Delaware Trace. The total development site consists of 30.42 acres of which 9.30 are attributable to the Phase II development. Once Phase II is constructed, the entire development will consist of 192 total units. The initial allocation of the 4% tax credits and bond volume was approved by the Board at the October 2014 meeting. With the Authority serving as the issuer of the bonds, an additional approval is required by the Board in addition to the approval of the allocation of tax credits and bond volume.

Following discussion, a motion was made by Lu Porter to approve the Series 2015 Multifamily Housing Revenue Bonds (Delaware Trace, Phase II Apartments Project) pursuant to the Resolution attached hereto as Exhibit A, as recommended by staff, which was seconded by Pat Gamble-Moore; the motion passed unanimously:

RESOLVED, that the Board approve the Series 2015 Multifamily Housing Revenue Bonds (Delaware Trace, Phase II Apartments Project) pursuant to the Resolution attached hereto as Exhibit A, as recommended by staff.

B. Homeownership Income Limit Increase

Chairman Brothers-Bridge again recognized Blake Blanch who presented information regarding Homeownership Income Limit Increase.

Background

Currently the programs offered by the Homeownership Department at IHEDA (the "Authority") have income limits that while reaching a portion of Hoosiers, leave a large amount of Hoosiers still underserved.

Under the Authority's enabling statute, the Authority must ensure that all loans are made to borrowers earning at or below 125% of the Area Median Income ("AMI") unless the Authority "determines that additional encouragement is needed for the development of the geographic area involved." (I.C. 5-20-1-4(b)) If such a determination is made, subsection (b) increases the AMI limit to 140%. Currently, there are 30 counties that were deemed a "Targeted County" by the U.S. Department of Treasury and HUD that are using the 140% AMI limitation. In 2014, staff began looking to determine whether Homeownership products could serve borrowers not currently served by the market by adjusting income limits within the caps set by the enabling statute.

Process

IHCDA contracted with the Indiana Affordable Housing Council ("IAHC") to research the income limits and determine the number of households being left underserved because of the current limits. IAHC did this by looking at the number of households that were eligible at the current income limitation, and then the number of households that could be served at the new income limit. The difference between these two numbers was the households being underserved, and thus in need of additional encouragement. Based on this study, by increasing the income limits to the targeted level in all counties across the state, nearly 18,000 additional Hoosier households will have access to IHEDA's homeownership programs.

Following discussion, a motion was made by Mark Pascarella to approve determining that the additional encouragement is needed for counties currently being served at 125%, and approve the Authority's increasing the income limits to 140% AMI for such counties, as recommended by staff, which was seconded by David Miller; the motion passed unanimously:

RESOLVED, that the Board approve determining that the additional encouragement is needed for counties currently being served at 125%, and approve the Authority's increasing the income limits to 140% AMI for such counties, as recommended by staff.

IV. Asset Preservation

A. Blight Elimination Program – Division Four, Round Two Funding Recommendation

Chairman Brothers-Bridge recognized Rayanna Binder who presented information regarding Blight Elimination Program – Division Four, Round Two Funding Recommendation.

Background

The State was divided into six funding divisions, for Blight Elimination Program purposes. A pool of BEP funds was made available to each Division based on the percentage of the State’s population contained within the given Division. The amount of funding available for Division Four, Round Two is \$4,439,500, as indicated by the following timeline of Board approvals:

DIVISION FOUR FUNDING TIMELINE			
Date	Board Action	Effect on Division’s Funding	Available Division Funding Total
January 23, 2014	Approval of BEP Initial Division Funding	+ \$8,737,500	\$8,737,500
August 28, 2014	Approval of: <ul style="list-style-type: none"> • Division Four, Round One applicants • Rolling balance of funding into Division Four, Round Two 	(\$6,518,000)	\$2,219,500
December 18, 2014	Reallocation of unallocated funds from Division Three, Round Two	+ \$2,220,000	\$4,439,500

Process

Division Four, Round Two was open to all Division Four counties with applications due December 1, 2014. Staff received 11 applications, with ten being recommended for funding:

County	Applicant	Application Number	Number of Units	Award Request
Dearborn	Dearborn County*	2014D4-BEP-201	6	\$150,000
Wayne	Town of Hagerstown	2014D4-BEP-202	6	\$150,000
Howard	Howard County	2014D4-BEP-203	4	\$72,000
Wayne	Town of Greens Fork	2014D4-BEP-204	3	\$68,000
Howard	City of Kokomo*	2014D4-BEP-205	85	\$1,754,000
Boone	City of Lebanon	2014D4-BEP-206	4	\$72,000
Grant	City of Marion*	2014D4-BEP-207	24	\$481,000
Wayne	City of Richmond*	2014D4-BEP-208	56	\$1,344,000
Grant	Town of Sweetser	2014D4-BEP-209	2	\$36,000
Warrick	Warrick County*	2014D4-BEP-210	9	\$176,000
Grant	Town of Van Buren	2014D4-BEP-211	0	0
TOTAL:			199	\$4,303,000

**Applicant in Division 4, Round 1*

IHCDA staff is not presenting the Town of Van Buren application for approval. The application failed to meet the BEP threshold requirements, including failure to specify the number of properties to be demolished, amount of the request, and the addresses for the requested structures. Additionally, Van Buren did not identify a program partner and failed to include the required Site Evaluation Matrices.

Applications were self-scored. Each BEP application score was then reviewed and verified by IHCDA Asset Preservation staff based upon the requirements outlined in the BEP application packet. Applications were checked for completeness and threshold requirements.

Project Summary

The County of Dearborn is seeking an additional award of \$150,000 to acquire, demolish, and facilitate an end use of six blighted residential structures located in Dearborn County. Dearborn County selected properties in Aurora, Sunman, and Moores Hill. Dearborn County seeks to remove these properties for the benefit of its residents and adjacent property owners. This is in addition to the nine blighted residential structures awarded in Round One.

Project Name:	HHF BEP – Dearborn County
Unit Request:	
\$15,000 Tier Units:	0
\$25,000 Tier Units:	6
Total Units:	6
Total Funding Request:	\$150,000
Maintenance Fee Request:	\$0
Amount Recommended:	\$150,000
Pledged Match:	Reduction in costs of debris disposal and waste management
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Project Summary

The Town of Hagerstown is seeking an award of \$150,000 to acquire, demolish, and facilitate an end use of six blighted residential structures located in the Town of Hagerstown. Hagerstown is planning to use the vacant lot adjacent to the Fire Department for future development of police and fire facilities. Hagerstown believes that the demolition of the six homes will have an immediate impact on public safety.

Project Name:	HHF BEP – Town of Hagerstown
Unit Request:	
\$15,000 Tier Units:	0
\$25,000 Tier Units:	6
Total Units:	6
Total Funding Request:	\$150,000
Maintenance Fee Request:	\$0
Amount Recommended:	\$150,000
Pledged Match:	Cash Match
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Project Summary

Howard County is seeking \$72,000 to acquire, demolish, and facilitate an end use of 4 blighted residential structures located Howard County. Howard County will be partnering with the Howard County Redevelopment Commission to complete its BEP Project. Howard County believes that the demolition of these homes will have an immediate impact of the health, safety, and quality of life of surrounding homeowners.

Project Name:	HHF BEP – Howard County
Unit Request:	
\$15,000 Tier Units:	4
\$25,000 Tier Units:	0
Total Units:	4
Total Funding Request:	\$60,000
Maintenance Fee Request:	\$12,000
Amount Recommended:	\$72,000
Pledged Match:	Cash Match
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Project Summary

The Town of Greens Fork is seeking an award of \$68,000 to acquire, demolish, and facilitate an end use of three blighted residential structures located in Greens Fork. The Town selected properties near town amenities such as the municipal building and post office. Greens Fork believes the demolition of the blighted structures will have a positive impact on civic pride of all Greens Fork residents.

Project Name:	HHF BEP – Town of Greens Fork
Unit Request:	
\$15,000 Tier Units:	1
\$25,000 Tier Units:	2
Total Units:	3
Total Funding Request:	\$65,000
Maintenance Fee Request:	\$3,000
Amount Recommended:	\$68,000
Pledged Match:	Cash Match
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Project Summary

The City of Kokomo is seeking an additional award of \$1,754,000 to acquire, demolish, and facilitate an end use of 85 blighted residential structures located in Kokomo. The City plans to partner with Kokomo Community Development Corporation to complete its BEP Project. Kokomo selected properties clustered near parks, walking paths, and schools for its second round application. Kokomo is confident that the demolition of these properties will reduce crime rates in the target area and positively impact public safety. This is in addition to the Round One award to Kokomo for 63 properties.

Project Name:	HHF BEP – City of Kokomo
Unit Request:	
\$15,000 Tier Units:	53
\$25,000 Tier Units:	32
Total Units:	85
Total Funding Request:	\$1,595,000
Maintenance Fee Request:	\$159,000
Amount Recommended:	\$1,754,000
Pledged Match:	Cash Match
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Project Summary

The City of Lebanon is seeking an award of \$72,000 to acquire, demolish, and facilitate an end use of 4 blighted residential structures located in Lebanon. The City plans to partner with the Lebanon Community Development Corporation. Lebanon is in discussions with the Lebanon Fire Department to use the structures for training exercise prior to demolition. Lebanon is also is ongoing discussions with the Lebanon Parks Department to determine if any of the lots may be suitable trailheads for the cities walking and biking trails. Lebanon is confident the planned demolition will have a positive impact of the property values of surrounding land owners.

Project Name:	HHF BEP – City of Lebanon
Unit Request:	
\$15,000 Tier Units:	4
\$25,000 Tier Units:	0
Total Units:	4
Total Funding Request:	\$60,000
Maintenance Fee Request:	\$12,000
Amount Recommended:	\$72,000
Pledged Match:	Cash match
	Release of Municipal Liens
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Project Summary

The City of Marion is seeking an additional award of \$481,000 to acquire, demolish, and facilitate an end use of 24 blighted residential structures located in Marion. The City will focus its demolition efforts in its area surrounding the downtown corridor. Marion hopes to reinvigorate the downtown area and attract Indiana Wesleyan University students and parents to Marion. Marion believes that the demolition of blighted homes and the redevelopment of the downtown corridor will assist it in forging a stronger relationship with the University and its students. This award comes in addition to the Round One award of 49 properties.

Project Name:	HHF BEP – City of Marion
Unit Request:	
\$15,000 Tier Units:	17
\$25,000 Tier Units:	7
Total Units:	24
Total Funding Request:	\$430,000
Maintenance Fee Request:	\$51,000
Amount Recommended:	\$481,000
Pledged Match:	Discounted Hauling of Debris Discounted Debris Dumping Use of Inmate Work Crew for pre-demolition clean up
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Project Summary

The City of Richmond is seeking an additional award of \$1,320,000 to acquire, demolish, and facilitate an end use of 56 blighted residential structures located in Richmond. The City will continue to focus its BEP efforts in the center of the city. Richmond is incorporating its BEP Project into the ongoing work to fulfill the objectives of its 2006 Comprehensive Plan. Richmond is confident that its BEP Projects will build on the almost \$10,000,000 of investment that has occurred in Richmond since 2004. This award comes in addition to the Round One award of 82 properties.

Project Name:	HHF BEP – City of Richmond
Unit Request:	
\$15,000 Tier Units:	8
\$25,000 Tier Units:	48
Total Units:	56
Total Funding Request:	\$1,320,000
Maintenance Fee Request:	\$24,000
Amount Recommended:	\$1,344,000
Pledged Match:	County Commissioners Donation of Property City of Richmond Donation of Topsoil Landfill Fee Reduction Neighborhood Service Clearinghouse Volunteers
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Project Summary

The Town of Sweetser is seeking an award of \$36,000 to acquire, demolish, and facilitate an end use of 2 blighted residential structures located in Sweetser. The Town is pleased to partner with Habitat for Humanity of Grant County to complete its BEP Project. Sweetser believes the demolition of the dilapidated structures and construction of infill housing will have a positive impact on the community.

Project Name:	HHF BEP – Town of Sweetser
Unit Request:	
\$15,000 Tier Units:	2
\$25,000 Tier Units:	0
Total Units:	2
Total Funding Request:	\$30,000
Maintenance Fee Request:	\$6,000
Amount Recommended:	\$36,000
Pledged Match:	Donation of assessed property value
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Project Summary

Warrick County is seeking an award of \$176,000.00 to acquire, demolish, and facilitate an end use of nine blighted residential structures located in Warrick County. Warrick County and its program partners plan to facilitate the sale of multiple lots to adjoining landowners post demolition. This award comes in addition to the Round One award of 51 properties.

Project Name:	HHF BEP – Warrick
Unit Request:	
\$15,000 Tier Units:	7
\$25,000 Tier Units:	2
Total Units:	9
Total Funding Request:	\$155,000
Maintenance Fee Request:	\$21,000
Amount Recommended:	\$176,000
Pledged Match:	Forgiveness of Tax Liens Mortgage Forgiveness Cash Contribution
Activity:	Acquisition and Demolition
Award Type:	Blight Elimination Program Loan

Following discussion, a motion was made by Tom McGowan to approve the recommended Division Four, Round Two Blight Elimination Program awards in an amount not to exceed \$4,303,000, as outlined above used in compliance with the Blight Elimination Program Term Sheet and Program requirements as outlined in the Application and the use of the remaining \$136,500 of Division Four funding for the fulfillment of waivers and cost overrides, as recommended by staff, which was seconded by Mark Pascarella; the motion passed unanimously:

RESOLVED, that the Board approve the recommended Division Four, Round Two Blight Elimination Program awards in an amount not to exceed \$4,303,000, as outlined above used in compliance with the Blight Elimination Program Term Sheet and Program requirements as outlined in the Application and the use of the remaining \$136,500 of Division Four funding for the fulfillment of waivers and cost overrides, as recommended by staff.

V. Executive

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

A. Monthly Update

National Housing Trust Fund

On Tuesday, January 20th, the Federal Housing Finance Agency (“FHFA”) announced it is directing Government-Sponsored Enterprises Fannie Mae and Freddie Mac (the “GSEs”) to begin setting aside and allocating funds to the Housing Trust Fund and the Capital Magnet Fund (the “Funds”). Although the Housing and Economic Recovery Act of 2008 (“HERA”) instructed the GSEs to contribute annually to the Funds, then-FHFA Acting Director, Ed DeMarco, in 2008 suspended such contributions before the GSEs made any.

HUD Secretary Castro has stated that “HUD will soon issue regulations to implement the Housing Trust Fund.” If the Governor designates IHCD as Indiana’s administrator for the funds, IHCD will be receiving money towards the end of the first quarter, beginning of second quarter of 2016.

2014 Homeownership Production

IHCD’s Homeownership Department had its best year to date in 2014. By comparison, in 2013, loans totaled \$147,040,555; and, in 2014, they equaled \$244,231,975. 2013 saw 1,464 loans, with 2014 coming in at 2,252.

Jake requested that Kim Harris, Homeownership Director, and Lee McLendon, Homeownership Manager, stand to be recognized for their efforts and the work of the entire Homeownership Department.

Hardest Hit Fund

The HHF department set a Stretch Goal of assisting 4,847 homeowners by December 31, 2014. On December 31, 2012, that number was 1,303. By December 31, 2014 the number of homeowners assisted was 4,682 – just 165 short of this lofty goal. Quarterly totals are as follows:

Quarter	New Homeowners Assisted	Cumulative Homeowners Assisted
Q4 – 2012	234	1,303
Q1 – 2013	238	1,541
Q2 – 2013	318	1,859
Q3 – 2013	401	2,260
Q4 – 2013	462	2,772
Q1 – 2014	394	3,116
Q2 – 2014	478	3,594
Q3 – 2014	457	4,051
Q4 – 2014	631	4,682

RHTC Recommendations

Jake reminded the Board that the Rental Housing Tax Credit recommendations, which are currently being scored, will be presented to the Board at February’s meeting. The meeting will be on the 8th floor in the auditorium to accommodate the historically high rate of attendance.

Departing Staff

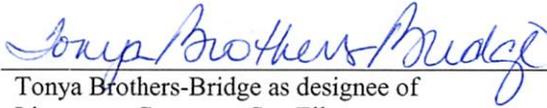
Jake informed the Board that IHCD’s COO, Kevin Stage, had accepted a consulting position, and his last day would be January 30th. In addition, Tamela Royston’s last day at IHCD would be January 26th. Both were asked to stand so the Board could recognize their tenure and good work at IHCD.

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

VI. Other Business

There being no further business a motion was made by Lu Porter to adjourn the meeting, which was seconded by Mark Pascarella; the motion passed unanimously and the meeting was adjourned at 10:42 a.m.

Respectfully submitted,



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

ATTEST:



J. Jacob Sipe
Executive Director for MHCDA