

Midwest Support Foundation
aaron@midwestsupportfoundation.org

February 6, 2025

Alan Rakowski
Indiana Housing and Community Development Authority (IHCDA)
30 S. Meridian Street, Suite 900
Indianapolis, IN 46204

Re: Midwest Support Foundation's Comments on Nonprofit Eligibility Requirements in the Draft QAP

Dear IHCDA Staff/QAP Review Committee,

Midwest Support Foundation (formerly known as Indianapolis Eastside Revitalization Corporation, founded in 2002) is pleased to offer feedback on the draft QAP provisions regarding nonprofit capacity, independence, and the Nonprofit Set-Aside. For more than two decades, we have engaged in a wide range of economic and community development initiatives, including multiple LIHTC projects throughout the Midwest, such as Clifford Corners Apartments, Hoosier Woods, Seymour Lofts, Mullen Flats, and Tipton Senior Apartments.

In our community development work, we have also undertaken significant commercial projects, including façade grant assistance and stabilizing key buildings along 10th Street, while partnering with various Eastside agencies to facilitate Clifford Corners. As additional community development organizations formed on the Eastside, our role shifted, prompting us to redefine our mission. In 2022, we embarked on a strategic planning process that refined our partnership goals and revealed new opportunities.

To further our growth, in 2023 our Board of Directors established two important objectives: (1) securing funds for a small homeownership development, and (2) pursuing a new LIHTC project. As a result, I, Aaron Laster, was hired as a contract employee for a two-year commitment to move these projects forward and expand our staff and scope. By early 2025, we succeeded in securing the necessary funding for a small homeownership project in Indianapolis.

Below, we offer comments on a few key elements of the proposed changes to the Nonprofit Set-Aside:

1. Paid, Full-Time Employee or Equivalent

Current Draft Language

"The nonprofit organization must have at least one paid, full-time employee with housing development experience. These employees may not be (1) employees who also work for or are supervised by a for-profit development or property management entity ..."

Midwest Support Foundation Position

- Inclusion of 1099 Contract Workers: We believe that a 1099 contract worker dedicating at least 30 hours per week to the nonprofit's housing development activities should also qualify. Many capable housing professionals operate as consultants. As long as these individuals meet the expertise requirements and commit adequate time, this setup should fulfill the goal of ensuring strong project oversight and mission alignment.

2. Nonprofit Board Chair/President Employment

Current Draft Language

"The nonprofit board chair or president may not be employed by a for-profit development or property management entity."

Midwest Support Foundation Position

- Employment May Be Permissible with Safeguards: We propose allowing a board chair who is employed by a for-profit development or property management entity, provided that said for-profit entity does not partner with the nonprofit on the proposed LIHTC application.
- Benefit of For-Profit Expertise: Having a board chair with relevant industry knowledge greatly benefits the nonprofit's strategic direction and overall project viability. A complete prohibition may exclude valuable professional experience; thus, a more nuanced rule focusing on preventing direct conflicts of interest (i.e., no active partnership on the same LIHTC application) would be preferable.

3. Prior Non-LIHTC Housing Activity Requirement

Current Draft Language

"The nonprofit organization must have previously undertaken a housing activity unrelated to LIHTC development ... such as administration of a rental or utility assistance program ... non-LIHTC funded affordable housing development ... or other similar activity."

Midwest Support Foundation Position

- Request for Clarity: We are uncertain why nonprofits with only LIHTC experience should be required to demonstrate unrelated housing activities. In many cases, direct LIHTC experience is as relevant, if not more so, than other forms of housing activity.
- Inclusivity of LIHTC Background: We believe nonprofits with a proven track record in LIHTC Development that meets the other criterion, that IHCD has proposed to amend, should remain fully eligible. We respectfully recommend an approach that does not penalize organizations already dedicated to LIHTC projects.

Conclusion

Midwest Support Foundation strongly supports IHCD's efforts to ensure rigorous nonprofit participation within the LIHTC program. Based on our substantial community development experience and our experience managing and partnering on LIHTC developments, we propose:

1. Allowing 1099 contract workers who commit at least 30 hours/week and meet the required expertise,
2. Permitting board chairs employed by non-partner for-profit entities (with safeguards against direct conflicts), and
3. Recognizing LIHTC-focused experience as valid in lieu of non-LIHTC housing experience.

We believe these refinements will maintain program integrity while fostering broad, mission-driven nonprofit participation. However, the way the current criteria are written, MSF would not qualify to apply under the Nonprofit Set-Aside. Our Board of Directors has strategically accrued financial resources, set forth a plan of action to support growth, and secured staffing resources to meet those goals. As a nonprofit with more than 20 years of experience in community, economic development, and housing, it seems unfair that we may not qualify to apply under the Nonprofit Set-Aside.

Thank you for considering our input. We welcome further discussion and invite you to contact us at aaron@midwestsupportfoundation.org with any questions or requests for additional information.

Sincerely,

Aaron Laster

A handwritten signature in blue ink, appearing to read 'A. Laster', with a stylized flourish at the end.

Director, Acquisitions & Development
Midwest Support Foundation
Laster, LLC