FIRST AMENDMENT TO STATE OF INDIANA NSP3 ACTION PLAN

NSP3 Program Administrator Contact Information	
Name (Last, First)	Hunt, Peter
Email Address	phunt@ihcda.in.gov
Phone Number	317-522-7298
Mailing Address	30. Meridian Street, Suite 1000, Indianapolis, IN 46204

Section 7. NSP Information by Activity (Revised Activity #5 only)

Activity Number 5	
Activity Name	Winona Hospital Redevelopment
Use	Select all that apply: ☐ Eligible Use A: Financing Mechanisms ☐ Eligible Use B: Acquisition and Rehabilitation ☐ Eligible Use C: Land Banking ☐ Eligible Use D: Demolition ☒ Eligible Use E: Redevelopment
CDBG Activity or Activities	24CFR570.202 eligible rehabilitation and preservation activities for homes and other residential properties
National Objective	Low Moderate Middle Income Housing (LMMH)
Activity Description	The Winona Hospital has been vacant for many years and is a blighted structure that is a local nuisance. Being riddled with asbestos and having underground oil tanks, this building has been preventing private developers from moving forward with a redevelopment of the site due to the high costs of clearing the site. Using NSP3, this site will be demolished to prepare it for three new uses: affordable housing for low-moderate families, an outdoor learning/play center for the Children's Museum of Indianapolis, Inc. and a commercial component. The City of Indianapolis will use their NSP3 funding to demolish the site and clear it ready for development. Following this, it is planned to use Non-NSP funding to develop the outdoor learning/play center component and the commercial component. IHCDA's NSP3 will then be used with other funding sources to carry out the redevelopment of 50 units of affordable housing. NSP3 funding will be supplied as a direct development subsidy for individual housing units through the project lead organization, The Whitsett Group, who are the chosen the developers for this portion of the site. NSP3 funding will be structured as a loan. All properties acquired and assisted with NSP3 will be subject to liens to preserve long-term affordability in accordance with HOME requirements, as described below in Section 8. To the greatest extent feasible, the project sponsor will work with IHCDA staff to incorporate appropriate green design features into rehabilitation portions of the project. IHCDA will require maximum feasible green design as a precedent to disbursement, with IHCDA serving as the sole arbiter of whether a project meets that standard.
Location Description	The Hospital sits on a site in the Near North neighborhood that immediately abuts one of the NSP1 sites. It is bordered on the West by Illinois Street, to

	the East by Meridian Street, to the south by 32nd Street and to the North by 33rd Street	
Budget	**Source of Funding**	**Dollar Amount**
	NSP3	$1,051,175
	City of Indianapolis	$200,000
	Great Lakes Capital Fund	$1,996,483
	IHCDA- LIHTC	$220,996
	IHCDA-tax exempt bond volume	$3,600,000
Total Budget for Activity		$7,068,654
Performance Measures	The goal of this project is to redevelop the site to provide significant new development, including a minimum of 50 units of affordable housing. These units will be available for households at or below 120% AMI. It is intended that this will include multi-family dwellings for rent. At least 25% of the units funded by NSP3 will be available for families at or below 50%AMI.	
Projected Start Date	April 1, 2011	
Projected End Date	March 31, 2014	
Responsible Organization	**Name**	The Whitsett Group
	Location	707 East North Street, Suite 800, Indianapolis, IN 46202
	Administrator Contact Info	Joe Whitsett, 317-252-0220, joe@thewhitesettgroup.com

Section 8 Continued Affordability (Added Section)

IHCDA intends to utilize the HOME affordability period for all projects associated with NSP3.

Resale guidelines.

Resale restrictions shall be implemented for every homebuyer property constructed, redeveloped, or rehabilitated, in whole or in part, with NSP3 funds in the form of a development subsidy. A development subsidy consists of the difference between the cost of producing the unit and the fair market value of the property. If NSP3 funds are provided to the homebuyer as a grant, the property will be subject to a resale restriction.

If the homebuyer determines that it no longer intends to use the property as its principal residence, resale restrictions require the homebuyer to sell the property to a family that will use the property as its principal residence and meets the income limits described in the lien and restrictive covenant on that property.

The original homebuyer is entitled to a fair return on its investment (as described below) upon the sale of the property. The fair return will be based on the percentage change in the Consumer Price Index for All Urban Consumers Owners' Equivalent Rent of Primary Residence category in Table I of the CPI Detailed Report (the "CPI Index") during the period of the homebuyer's ownership. Accordingly, the CPI Index during the month the residence was completed (the month during which the completion reports were received by and approved by IHCDA) will be compared to the CPI Index during the month the original homebuyer sells the residence to determine the percentage of the return. The homebuyer's investment will include any down payment paid by the homebuyer plus any capital improvements. A capital improvement is any property enhancement that increases the overall value of the property, adapts it to new uses, or extends its life such as: adding windows, insulation, a new drive way, a new furnace, a garage, bedroom, new roof, remodeling kitchen, etc. Any capital improvement will be valued based on actual cost as documented by the original homebuyer's receipts. Generally, replacing worn or dated components such as appliances or carpet would not be considered an improvement that adds value or adapts it to new uses.

The purchasing family should pay no more than twenty-nine percent (29%) of its gross family income towards the principal, interest, taxes and insurance for the property on a monthly basis.

In certain circumstances, such as a declining housing market where home values are depreciating, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price and a loss on investment may constitute a fair return.

Recapture guidelines.

Recapture provisions shall be implemented for any homebuyer property purchased, in whole or in part, by a homebuyer that receives a direct subsidy ("homebuyer subsidy") in an amount greater than or equal to One Thousand and 00/100 Dollars ($1,000) in NSP Funds. A homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

If the homebuyer no longer utilizes the property as its principal residence during the Affordability Period defined below, the amount to be recaptured is the shared net proceeds of a prorated amount of the homebuyer subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the Affordability Period. Any net proceeds that exist will be shared between IHCDA and the homebuyer. If there are not any proceeds, there is no amount to recapture.

If there is both development subsidy and homebuyer subsidy or just homebuyer subsidy, a recapture provision must be implemented. In cases where a homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

Rental Units.

With respect to NSP3-assisted rental units a combination of resale restrictions and recapture provisions, will be used in order to preserve affordability.