



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

Held: October 27, 2022

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority (“IHCDA” or “Authority”) was held on Thursday, October 27, 2022 at 10:00 a.m. EST at 30 S. Meridian Street, Suite 900, Indianapolis, IN 46204.

The following individuals were present at the meeting: Lieutenant Governor Suzanne Crouch; Indiana Treasurer of State Kelly Mitchell; Mark Pascarella (Indiana Public Finance Director designee); Board Member Tom McGowan; Board Member G. Michael Schopmeyer; J. Jacob Sipe (IHCDA Executive Director); members of the staff of the Lieutenant Governor; members of the staff of the Authority and the general public. Board Members Andy Place Sr. and J. June Midkiff attended virtually.

Lt. Gov. Suzanne Crouch served as Chair of the meeting and upon noting the presence of a quorum, called the meeting to order. Lauren Tillery served as Secretary.

I. Approval of Minutes

A. Meeting Minutes

A motion was made by Mark Pascarella to approve the September 22, 2022, Meeting Minutes, which was seconded by Tom McGowan. The motion passed unanimously by roll call.

RESOLVED, the Minutes of the Board meeting held on September 22, 2022, are hereby approved to be placed in the Minute Book of the Authority.

II. Real Estate Department

A. Habitat Indiana HOME Investment Fund- Second Investment

Chairperson Crouch recognized Sibghat Sheikh who presented the Habitat Indiana HOME Investment Fund- Second Investment.

Background

Habitat for Humanity of Indiana, Inc. represents 48 Habitat affiliates that serve 67 counties and have built or rehabbed over 6500 homes for low-income Hoosiers. Habitat serves families that make between 30%-80% of the area’s median income. Families are selected based on three criteria: need, ability to pay, and willingness to partner. Need is determined by assessing their current housing with a focus on moving families out of housing that is substandard, overcrowded, or a cost burden. “Ability to Pay” is an assessment of their financial situation and their ability to repay a 0% interest mortgage. Willingness to Partner is the family’s willingness to participate in our program which requires “sweat equity” investment in the construction of the home, financial education classes, and basic home repair courses.

In 2015, Habitat and IHCDA partnered to create the Habitat Indiana Home Investment Fund (HIHIF) through an award of Development Fund. HIHIF was created to invest \$17,000 per home, structured as half grant (\$7,500)/half loan (\$7,500) secured by the first two years of mortgage payments on the funded unit. The loan portion revolved to

allow Habitat to fund more units as repayments were made. Over 100 Habitat homes throughout the state have been funded through the HHIF.

To expand this successful program, Habitat is requesting an additional \$510,000 investment from IHCDA's Development fund to further seed the loan pool. The fund would make 30 initial investments of \$17,000 each to Habitat homes built statewide. As funds revolve, Habitat would ultimately be able to fund 42 homes through four cycles of funding.

Because of post-pandemic supply chain and price issues, the cost of building a Habitat home has increased by \$20,000-\$25,000. Habitat does not want to pass on this increased cost to their customers. Therefore, they are proposing a change in the loan/grant mix. In the new structure, \$10,000 would be granted per unit to the affiliate, and an additional \$5,000 would be structured as a loan that is revolved back into the fund. They would maintain the \$2,000 per unit used to cover administrative costs, making the total investment per unit \$17,000. In this revised formula, \$5,000 maintains the form of a two-year micro loan that comes back to the fund and continues to generate funds for future projects, allowing the fund to revolve and eventually fund 42 total homes.

Process:

Habitat submitted a complete Development Fund application, including a detailed project, financials, and other supporting documents requested by IHCDA. IHCDA staff conducted a thorough review of the original program, the changes proposed in the new program, and the application and supporting documents. Sources and uses of funds were closely analyzed, and underlying cost assumptions were corroborated against actual line item costs of two recent Habitat projects, one in a rural community and one in a suburban community.

The Development Fund investment is secure because the fund structure requires that Development Fund dollars are the last monies invested. The grant/loan fund is designed to be reimbursable after supporting documentation of expenditures have been submitted by affiliates. The funds are only released by Habitat to the affiliate after the certificate of occupancy has been issued. Further, Habitat has committed that if their fundraising goal of 3,500,000 falls short and they are not able to build all 42 homes, a proportionate amount of the Development Fund award would be de-obligated and returned to IHCDA.

Key Performance Indicators:

The homes created through the second round of HHIF will also be funded through \$255,310 in in-kind donations and \$3,500,000 in private donations. Through this leveraging and the revolving loan model, IHCDA's Development Fund investment of \$510,000 will create 42 homes.

Habitat will be held to the following program benchmarks:

- ½ of the fund will be subscribed in Year 1
- 100% of families will be between 30%-80% of AMI
- Funds will be distributed diversely among north, central, and southern regions
- 100% of units will be energy efficient scoring HERS rating of at least 75
- 100% of the units will meet the accessibility standard of "visitable"

Habitat will submit a quarterly report providing the following information to IHCDA on a per home basis:

- Address
- # People in Household
- Race/Ethnicity of Head of Household
- Gender of Head of Household
- Household Income
- Appraised Value
- Date of Completion
- Is this a first-time homebuyer?
- Total Development Cost (and % of TDC covered by Development Fund)

Following discussion, a motion was made by Kelly Mitchell to approve the allocation of \$510,000 in Development Fund in the form of a grant to Habitat for Humanity of Indiana, Inc. for the creation of the Habitat Revolving Loan Fund. The motion was seconded by Andy Place Sr. The motion was passed unanimously by roll call.

RESOLVED, that the Board approve awarding \$510,000 in Development Fund in the form of a grant to Habitat for Humanity of Indiana, Inc. for the creation of the Habitat Revolving Loan Fund, as recommended by staff.

B. TCAP Monthly Update

Chairperson Crouch recognized Alan Rakowski, who presented the TCAP Monthly Update.

Background

On September 23, 2021, the Board authorized IHCD’s Deputy Executive Director and Chief Real Estate Development Officer to take all actions necessary to distribute additional allocations of Tax Credit Assistance Program (TCAP) funds to Low Income Housing Tax Credit (LIHTC) developments that have been negatively impacted by cost increases, provided that the Board is informed of all awards made monthly.

The following award was made after the finalization of September’s Board Meeting Agenda. This brings the total number of approvals to 25 projects totaling \$9,960,411 in TCAP funding.

Development Name	Location	Developer	Type of Construction	TCAP Amount Awarded	Date Awarded	Year of Tax Credits
Pebble Village Townhomes	Noblesville	Woda Cooper Development, Inc.	New Construction	\$500,000	10/13/22	2021

No action is needed as this is an update to the board.
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C. Bond Volume/ 4% Tax Credits- Broadway Park & Citizen Park Apartments

Chairperson Crouch recognized Meghann Bowman, who also presented the Bond Volume/ 4% Tax Credits for the Broadway Park & Citizens Park Apartments.

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, 2022, IHCD began the 2022A-B bond round for multi-family bond volume. The 13th application received and reviewed represented a total development cost of \$24,954,876 with \$12,477,438 in bond volume and \$889,795 in LIHTCs annually for 10 years to create 78 units of affordable housing. The Development Summary Sheet is attached hereto as **Exhibit A.**

Circle City Property Management & Development is proposing the new construction of 78 units for individuals and families earning up to 60% of the Area Median income in Indianapolis. The development will be on two sites: one at 38th and Park and the second at 22nd & College Avenue. The design boasts modern amenities both on site and in unit such as covered parking, first floor retail space, in-unit washer/dryer and kitchen pantries.

The development team has forged partnerships with a variety of community and neighborhood organizations to provide extensive services to tenants including financial literacy, recreational and social activities, fitness and nutrition, back to school program, adult education, and transportation.

During the round, the Real Estate Department staff reviewed the application to ensure it met the criteria set forth in the 2022 Qualified Allocation Plan.

Key Performance Indicators – 2022A-B Round

Development	YTD Application #	Location	New Const or Rehabilitation	# of Units	Family or Age-Restricted	Bond Issuer
Bradford Lake	1/20	Indianapolis	Rehabilitation	357	Family	IHCDA
Nicholas Landing	4/20	Clarksville	New Construction	252	Family	IHCDA
Forty Six Flats	5/20	Indianapolis	New Construction	173	Family	IHCDA
Country View	8/20	Bloomington	Rehabilitation	206	Family	Bloomington
Vita of New Whiteland	6/20	New Whiteland	New Construction	130	Seniors	IHCDA
Vita of Greenfield	7/20	Greenfield	New Construction	130	Seniors	IHCDA
AFR Indiana	10/20	Arcadia, Fowler, Rensselaer	Rehabilitation	186	Family	IHCDA
Hoosier Woods	9/20	Anderson	Rehabilitation	214	Family	IHCDA
The Plaza at Central Greens	3/20	Indianapolis	New Construction	122	Family	IHCDA
The Mill	12/20	Shelbyville	New Construction	168	Family	IHCDA
Tower Multifamily Portfolio	14/20	Petersburg, Princeton, Mount Vernon	Rehabilitation	200	Family	IHCDA
Tower Senior Portfolio	15/20	Haubstadt, Owensville, Petersburg, Princeton	Rehabilitation	112	Seniors	IHCDA
Village Premier	17/20	Fort Wayne	New Construction	208	Family	IHCDA
City Heights Apartment Homes	20/20	Indianapolis	New Construction	200	Family	IHCDA
Broadway Park Citizens Park Apartments	13/20	Indianapolis	New Construction	78	Family	IHCDA

Following discussion, a motion was made by Tom McGowan to approve the allocation of \$12,477,438 in bond volume, \$889,795 in annual LIHTC, to BPCP, LLC for Broadway Park & Citizens Park Apartments, according to the terms of the 2022A-B Application Round. The motion was seconded by J. June Midkiff. The motion was passed unanimously by roll call.

RESOLVED, that the Board approve awarding \$12,477,438 in bond volume and \$889,795 in annual LIHTC, to BPCP, LLC for Broadway Park & Citizens Park Apartments, according to the terms of the 2022A-B Application Round, as recommended by staff.

III. Finance

A. Tower Portfolio Project Bond Recommendation

Chairperson Crouch recognized Richard Harcourt, who presented the Tower Portfolio Project Bond Recommendation.

Background

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The purpose of this memo and the attached resolution is to request the approval for the issuance of the Series 2022 Multifamily Housing Revenue Bonds (Tower Portfolio Project) in the principal amount not to exceed \$16,260,000 (the “Bonds”).

Process

The Bonds will be issued on behalf of Brooklyn Willsomer Senior, LLC, Liberty Somerset, LLC, and Southwind Apartments, LLC, (each a “Borrower” and collectively, the “Borrowers”). The Indiana Housing and Community Development Authority (the “Authority”) will serve as a conduit issuer for the Bonds; thereby, loaning the proceeds to the Borrowers to finance the acquisition and rehabilitation of their respective multifamily housing complexes. **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 Borrowers are proposing the acquisition and rehabilitation of seven existing properties: Somerset East I & II is a 68-unit property in Princeton; Liberty Apartments is a 32-unit property in Petersburg; Southwind Apartments I & II is a 100-unit property in Mount Vernon; Brookfield Apartments is a 25 property Petersburg; Lynnwood Village Apartments is a 25-unit property in Haubstadt; Somerset South & West Apartments is a 25-unit property in Princeton; and Williams Apartments is a 37-unit property in Owensville.

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 G. Michael Schopmeyer to approve issuance of the Series 2022 Multifamily Housing Revenue Bonds (Tower Portfolio Project) pursuant to the Resolution attached hereto as **Exhibit B**. The motion was seconded by Mark Pascarella. The motion was passed unanimously by roll call.

RESOLVED, that the Board approve issuance of the Series 2022 Multifamily Housing Revenue Bonds (Tower Portfolio Project) pursuant to the Resolution attached hereto as **Exhibit B**, as recommended by staff.

B. Vita of New Whiteland Project Bond Recommendation

Chairperson Crouch recognized Richard Harcourt, who presented the Vita of New Whiteland Project Bond Recommendation.

Background

The purpose of this memo and the attached resolution is to request the approval for the issuance of the Series 2022 Multifamily Housing Revenue Bonds (Vita of New Whiteland Project) in the principal amount not to exceed \$25,000,000 (provided that federally tax-exempt Bonds shall be limited to a principal amount of \$21,405,000) (the “Bonds”).

Process

The Bonds will be issued on behalf of Vita of New Whiteland, LLC (the “Borrower”). The 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 and rehabilitation of its multifamily housing complex. **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 Borrower is proposing the new construction of a 110-unit affordable assisted living and high acute care facility in New Whiteland. 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 to approve the issuance of the Series 2022 Multifamily Housing Revenue Bonds (Vita of New Whiteland Project) pursuant to the Resolution attached hereto as **Exhibit C**. The motion was seconded by G. Michael Schopmeyer. The motion was passed unanimously by roll call.

RESOLVED, that the Board approve the issuance of the Series 2022 Multifamily Housing Revenue Bonds (Vita of New Whiteland Project) pursuant to the Resolution attached hereto as **Exhibit C**, as recommended by staff.

VI. Executive Update

Chairperson Crouch recognized J. Jacob Sipe, who presented the Executive Update and discussed the following topics:

1. Habitat for Humanity continued update

Jacob continued the conversation that Beth with Habitat for Humanity began at the beginning of the board meeting. In February of 2021, IHCDA provided \$1,000,000 to collateralize a guarantee for Habitat to sell \$4,000,000 of their mortgages to generate capital for Habitats across the State of Indiana. Working with Old National Bank, this past week, they purchased another \$7,000,000 of first mortgages from Habitat, which will continue to generate capital for Habitat across the state. So far our \$1,000,000 has helped generate over \$11,000,000 of capital for Habitat. Jacob mentioned that he is very proud of IHCDA's continued work with Habitat and the partnership that IHCDA has with both Habitat for Humanity and Old National Bank to continue to assist Hoosiers across the state. So far there hasn't been any claims against the guarantee such as defaults or anything like that, which means the homes are performing well. We will continue to update the Board on that progress.

2. Indiana Task Forces

Jacob gave an update on the various housing task forces that have been meeting recently of which he is part of.

The Indiana Housing Task Force is co-chaired by Representative Doug Miller and Senator Linda Rogers, and they have a report due to the Governor by the first of November, detailing a comprehensive view of the housing needs across the state. At the first meeting on September 29, 2022, Jacob discussed what IHCDA's role was within the Task Force as a State Housing Finance Agency. He also discussed IHCDA's Housing Dashboard and how it breaks down the different needs of Hoosiers across the state, adding that 45% of the population 55 and older have a disability and the partnership IHCDA has with Habitat for Humanity allows this population to get into housing that best fits their specific needs.

Jacob mentioned that Indiana's housing stock is older and that 45% of the homes were built prior to 1970. When looking at housing affordability, the current inflation rates and rising construction costs and how they are not currently being factored into costs. The cost of rent has increased by 15% since 2010 and the median rents from 2011 have increased by 20%. Jacob added in that the job market affects the housing market, stating that up until 2019, Indiana had been great with creating new job opportunities to match up with housing units. However, now, the state creates on average 45 units of housing for every 100 jobs. Indiana ranks 13th in the country for building the least amount of housing relative to job growth. In comparing Indiana with housing production, Jacob stated that Indiana ranks last in the Midwest. Jacob added that this is something that IHCDA really needs to focus on and work on for the future.

The Low Barrier Homeless Shelter Task Force is another task force Jacob mentioned he is a member of. It's co-chaired by Board Member Tom McGowan and Jeff Bennett. They have a report due by the end of the year which reports on plans on creating a low-barrier facility in Indianapolis for the homeless population and hopefully, can be replicated throughout the rest of the state. The thought would be the creation of a HUB which could provide wrap-around services to assist people with chronic medical conditions, mental health issues, substance abuse disorders and life skills through allowing these individuals to stay in housing pods while waiting for housing assistance. Jacob mentioned that the rental assistance that these individuals are waiting for takes at least 106 days on average for the assistance to reach these people, resulting in them staying in homeless

shelters while they wait. Jacob also mentioned that the task force has brought in a couple of guest speakers, and they have been looking at the Lafayette model for their low barrier shelters to help guide Indianapolis for their proposed shelter. This Lafayette model has been very successful.

Lieutenant Governor Crouch asked what the metrics are in Lafayette that prove this model is effective. Jacob responded that they look at recidivism for individuals coming out of incarceration and life skills that the people had. He further explained that a lot of individuals did not have birth certificates or drivers' licenses which would allow them to apply for housing services. Lafayette focuses on getting these individuals to services that would assist them in accessing these documents to assist them with permanent housing in the future. Jacob added that Jennifer Layton, from Lafayette, was at the task force meeting and provided the metrics as well as a lot of other information to the task force. Board Member Tom McGowan mentioned that he had spoken with Jennifer Layton to access this information to use as a model for Indianapolis. He mentioned that he, the Deputy Chief of IMPD and several others visited Lafayette. Tom mentioned that their focus is figuring out how to promote affordable housing to these individuals and figuring out how to create more affordable housing across the state, in general. Jacob added that getting more landlords to participate is one of the main goals they have when it comes to creating more affordable housing.

Jacob closed this conversation by stating that the Continuum of Care Board of Directors has been doing a fantastic job with the IHCDA team with creating a Strategic Plan for affordable housing that will hopefully be implemented after being brought before the Board in November.

3. November Board Meeting

The November board meeting will be held on Thursday, November 17, 2022, at 10:00 AM Eastern Time at IHCDA. The meeting can also be attended virtually.

There being no further business, the meeting was adjourned by Chairperson Crouch at 10:41 a.m.

Respectfully submitted,

Lieutenant Governor, Suzanne Crouch, or her designee

ATTEST:

J. Jacob Sipe
Executive Director for IHCDA



INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY
RENTAL HOUSING TAX CREDIT (RHTC) PROGRAM
PROPOSED DEVELOPMENT SUMMARY
2022A-B Bond Round



PROJECT NAME: Broadway Park – Citizens Park Apartments

SITE LOCATION: 605, 617, & 625 East 38th St.
3760 Broadway St.
2216 & 2228 N College Ave
Indianapolis, IN 46205

PROJECT TYPE: New Construction

PROJECT DESIGNATION: Multifamily

APPLICANT: Circle City Property Management & Development

PRINCIPALS: Eric Armstrong
Paul Russell

OF UNITS AT EACH SET ASIDE

60% of AMI:	78
50% of AMI:	0
40% of AMI:	0
30% of AMI:	0
Market Rate:	0

UNIT MIX

Efficiency:	0
One bedroom:	38
Two bedroom:	40
Three bedroom:	0
Four bedroom:	0

TOTAL PROJECTED COSTS:	\$24,954,876
TAX CREDITS PER UNIT:	\$11,408

CREDIT REQUESTED:	\$889,795
CREDIT RECOMMENDED:	\$889,795
BOND VOLUME REQUESTED:	\$12,477,438
BOND VOLUME RECOMMENDED:	\$12,477,438
DEVELOPMENT FUND REQUESTED:	\$0
DEVELOPMENT FUND RECOMMENDED:	\$0

APPLICANT NUMBER:	2022A-B-013
BIN NUMBER:	IN-22-04200
DEVELOPMENT FUND LOAN NUMBER:	N/A
SELF SCORE:	56.0
IHCDA SCORE:	53.46