



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

Held: September 22, 2011

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority (“IHCDA” or “Authority”) was held September 22, 2011 at 10:00 a.m. at 30 South Meridian Street, Suite 1000, Indianapolis, Indiana 46204.

The following individuals were present at the meeting: Christopher Jensen (Lieutenant Governor delegate), Kendra York, David Miller, Richard Bramer (Treasurer of the State of Indiana delegate), Sherry Seiwert (Executive Director for IHCDA), members of the staff of the Authority, and the general public. Pat Gamble-Moore, Tom McGowan, and Lu Porter were not present.

Richard Bramer 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. August 25, 2011 Meeting Minutes

A motion was made by Kendra York to approve the August 25, 2011 Meeting Minutes, and seconded by David Miller; the following Resolution was unanimously approved:

RESOLVED, the Minutes of the Board meeting held August 25, 2011, are hereby approved to be placed in the Minute Book of the Authority.

II. REAL ESTATE

A. ARRA Update: 1602 Tax Credit Exchange Program and Tax Credit Assistance Program

Chairman Bramer recognized Jacob Sipe who presented an update to the Board regarding the award allocations of the 1602 Tax Credit Exchange Program (1602 Exchange Program) and the Tax Credit Assistance Program (TCAP). The American Recovery and Reinvestment Act of 2009 (ARRA) created two provisions to enhance the Section 42 Rental Housing Tax Credit Program, which includes the 1602 Exchange Program and TCAP:

- The 1602 Exchange Program allows IHCDA to make direct equity investments into rental housing for families earning less than 60% of area median income, in exchange for tax credits already awarded for those projects. IHCDA receives equity at a rate of \$0.85/dollar of tax benefits from credits that are exchanged. For example, an exchange of \$100,000 in annual credits would generate \$850,000 in equity for investment in tax credit projects--\$100,000 per year x 10 years x \$0.85/dollar of benefits. Because of the tight credit market, the majority of projects awarded credits in 2008 have been unable to attract the necessary equity to complete the deals. IHCDA is to receive \$164,011,126 from the 1602 Exchange Program, through the US Department of Treasury.
- Through TCAP, HUD provides development subsidy that may only be used for capital investment in Rental Housing Tax Credit projects awarded credits at any time from 2007 to 2009, at any stage of

development. These funds help individual projects to close funding gaps created by such factors as the fall in tax credit equity pricing, or increased holding costs as a result of project delays. IHCDCA received \$38,048,333 in TCAP funds from HUD.

Mr. Sipe presented to the Board spreadsheets of the 1602 Exchange Program and TCAP projects, attached hereto as Exhibits A and B, approved by the IHCDCA Allocation Committee. The Board delegated final approval authority for 1602 Exchange Program projects to staff in its July, 2009 meeting.

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

B. IHCDCA Strategic Investment Process

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

- Alan Rakowski Desert Rose Foundation, Inc.;
 Owen County Preservations, Inc.; and
- Carmen Lethig Scottsburg Senior Housing Corporation.

Staff recommended three (3) developments for Board approval, as follows:

i. Desert Rose Foundation, Inc.
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Project Summary:

Desert Rose Foundation, Inc. is requesting \$723,025.00 to acquire and rehabilitate an existing 10 unit rental property in Martinsville, Indiana. This development will be assisted under the Other Priority (Preventing Homelessness/Special Needs Population). This development will be targeting a vulnerable special needs population, served by the Desert Rose Transitional Shelter and Well Spring Homeless Shelter.

Project Name:	Providence Place
IHCDCA Amount Requested:	\$723,025.00
HOME Amount Recommended:	\$723,025.00
Per Unit Subsidy (Rehabilitation and Program Delivery, not including acquisition costs):	\$32,540.00
Total Project Costs:	\$787,670.00
Location:	Martinsville, IN (Morgan County)
Activity:	Acquisition and Rental Rehabilitation
Award Type:	Grant - \$723,025.00

Following discussion a motion was made by David Miller to approve the allocation of HOME funding, in an amount not to exceed \$723,025.00, for the above-referenced request received during the current review period of the 2011-2012 program year, as recommended by staff, which was seconded by Christopher Jensen. The Chairman did not vote on this motion;

RESOLVED, that the Board approve the allocation of HOME funding, in an amount not to exceed \$723,025.00, for the above-referenced request received during the current review period of the 2011-2012 program year, as recommended by staff.

ii. Owen County Preservations, Inc.

Project Summary:

Owen County Preservations, Inc. ("OCP") is requesting \$56,000.00 to contribute to the renovation of the Historic Tivoli Theatre located in Spencer, Indiana. This development will be assisted under the Comprehensive Community Development priority. OCP has applied to the Indiana Office of Community and Rural Affairs' ("OCRA") Community Focus Fund for \$500,000.00 of the project costs. Applications are due by September 30th, and OCRA will announce awardees shortly thereafter. IHCD's award of \$56,000.00 would be used as match for the OCRA award, and therefore is contingent on the OCRA award.

Project Name:	Tivoli Community Center
IHCDA Amount Requested:	\$56,000.00
Development Fund Amount Recommended:	\$56,000.00
Per Unit Subsidy (Rehabilitation and Program Delivery):	\$56,000.00
Total Project Costs:	\$556,000.00
Location:	Spencer, Indiana (Owen County)
Activity:	Rehabilitation
Award Type:	Cash Flow Loan - \$56,000.00 <ul style="list-style-type: none">• 20 year term• 0% interest• Amortizing repayment based on project cash flow

Following discussion a motion was made by Kendra York to approve the allocation of Development Fund funding, in an amount not to exceed \$56,000.00, for the above-referenced request received during the current review period of the 2011-2012 program year; provided that the project successfully receives \$500,000.00 in OCRA funding, as recommended by staff, which was seconded by Christopher Jensen. The Chairman did not vote on this motion;

RESOLVED, that the Board approve the allocation of Development Fund funding, in an amount not to exceed \$56,000.00, for the above-referenced request received during the current review period of the 2011-2012 program year; provided that the project successfully receives \$500,000.00 in OCRA funding, as recommended by staff.

iii. Scottsburg Senior Housing Corporation

Project Summary:

Scottsburg Senior Housing Corporation ("SSHC") is requesting \$855,000.00 to rehabilitate 24 units of an existing 48 unit USDA Rural Development rental property (Craig Park) in Scottsburg, Indiana. The total project cost for Craig Park is \$1,738,000.00, and SSHC has the following sources in place in addition to IHCD:

\$750,000.00 FHLB AHP (counting as match);
\$133,000.00 Scottsburg Senior Housing Corp reserves; and
\$400,000.00 Merchant's Bank (5% interest rate, 18 month loan).

Twenty-four of these units will be assisted under the Aging in Place priority. Beneficiaries under this priority must be at least 55 years of age and/or disabled. All IHCDAs-assisted beneficiaries will be at or below 50% of area median income.

Project Name:	Craig Park
IHCDA Amount Requested:	\$855,000.00
HOME Amount Recommended:	\$855,000.00
Per Unit Subsidy:	\$35,625.00
Total Project Costs:	\$1,738,000.00
Location:	Scottsburg, IN (Scott County)
Activity:	Rental Rehabilitation
Award Type:	Grant - \$855,000

Following discussion a motion was made by Christopher Jensen to approve the allocation of HOME funding, in an amount not to exceed \$855,000.00, for the above-referenced request received during the current review period of the 2011-2012 program 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 funding, in an amount not to exceed \$855,000.00, for the above-referenced request received during the current review period of the 2011-2012 program year, as recommended by staff.

C. Community Development Block Grant Supplemental Disaster Recovery Funds – Flood Buyout Program

Chairman Bramer recognized Brian Philips who presented information regarding Community Development Block Grant Supplemental Disaster Recovery Funds – Flood Buyout Program.

Background

The Community Development Block Grant Supplemental Disaster Recovery Program (CDBG-D) provides subsidies for a variety of activities to be undertaken in the counties declared disaster areas as a result of the 2008 floods. IHCDAs also receives an allocation of standard CDBG funding that provides subsidies for the same purpose.

IHCDA has partnered with the Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA) in working with communities and their Long Term Recovery Committees to create and administer mitigation plans for addressing issues related to homes located in areas of high flood risk. IHCDAs is responsible for paying twenty-five percent (25%) of the total project costs, while DHS and FEMA are paying the remaining seventy-five percent (75%). Families residing in these homes are either still living in these substandard units or are incurring costs to live in a suitable environment. The funding used for "flood buyouts" will create a zero balance mortgage for these owners and eliminate the burden of paying for secondary housing while still having a monthly mortgage payment. The HUD-approved CDBG Disaster Plan allocates approximately \$18,000,000 in CDBG-D funds for this purpose.

In February 2010, the IHCD Board of Directors approved approximately \$9.8 million in funding to 22 communities funded through the first appropriation (DR1) of the CDBG-D funding.

Process

IHCD, DHS, and FEMA continue to work together on the DR1 communities in need of assistance. DHS/FEMA have reviewed and/or submitted plans for approval to HUD for all communities listed below.

Flood Acquisition Demolition Recommendations (CDBG and CDBG-D)							
Award Number	Community/Recipient	County	Activity Description	Total Project Cost	Federal Grant Amount	Local Match Amount	# of Homes
DR1HB-011-001	Town of DeMotte	Jasper	Acquisition/ Demolition	\$344,912.50	\$275,930.00	\$68,982.50	2
DR1HB-011-002	Town of Montezuma	Parke	Acquisition/ Demolition	\$1,585,021.25	\$1,268,017.00	\$317,004.25	24
HD-011-019	The Board of Commissioners of the County of Howard	Howard	Acquisition/ Demolition	\$2,235,726.25	\$1,788,581.00	\$447,145.25	11
				\$4,165,660.00	\$3,332,528.00	\$833,132.00	37

As Howard County is not eligible for CDBG-D funding, IHCD agreed to provide standard CDBG funding as an appropriate resource for this development. Howard County is working with DHS and FEMA under the same requirements and expectations as the CDBG-D funded communities.

Following discussion a motion was made by David Miller to approve the allocation of CDBG-Disaster Recovery funding totaling \$385,986.50 to the Towns of DeMotte and Montezuma for the purpose of assisting in purchasing approximately 26 homes impacted by the 2008 floods, as set forth above, as recommended by staff, which was seconded by Christopher Jensen. The Chairman did not vote on this motion;

RESOLVED, that the Board approve the allocation of CDBG-Disaster Recovery funding totaling \$385,986.50 to the Towns of DeMotte and Montezuma for the purpose of assisting in purchasing approximately 26 homes impacted by the 2008 floods, as set forth above, as recommended by staff.

Following discussion an additional motion was made by Kendra York to approve the allocation of CDBG funding totaling \$447,145.25 to the Board of Commissioners of the County of Howard for the purpose of assisting in purchasing approximately 11 homes impacted by the 2008 floods, as set forth above, as recommended by staff, which was seconded by Christopher Jensen. The Chairman did not vote on this motion;

RESOLVED, that the Board approve the allocation of CDBG funding totaling \$447,145.25 to the Board of Commissioners of the County of Howard for the purpose of assisting in purchasing approximately 11 homes impacted by the 2008 floods, as set forth above, as recommended by staff.

III. EXECUTIVE

A. Report of Delegation and Economic Stimulus Update

Chairman Bramer 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 mentioned below:

Month	Department	Program	Vendor	Action Taken	Amount	Purpose
September	Asset Preservation	Hardest Hit Fund	AHMSI	Service Participation Agreement	N/A	Agreement to abide by Indiana's HHF guidelines in accepting payments on homeowners' behalf
September	Asset Preservation	Hardest Hit Fund	Centar	Service Participation Agreement	N/A	Agreement to abide by Indiana's HHF guidelines in accepting payments on homeowners' behalf
September	Asset Preservation	Hardest Hit Fund	Centier Bank	Service Participation Agreement	N/A	Agreement to abide by Indiana's HHF guidelines in accepting payments on homeowners' behalf
September	Asset Preservation	Hardest Hit Fund	PNC Bank	Service Participation Agreement	N/A	Agreement to abide by Indiana's HHF guidelines in accepting payments on homeowners' behalf
September	Energy	Weatherization	5 SERC sub-grantees	Amendment 1	\$0.00	Extend grant one month
September	Energy	Weatherization	3 ARRA sub-grantees	Amendment 3	\$0.00	Rebifurcation of ARRA funds among sub-grantees
September	Energy	Weatherization	29 DR2OR (CDBG-D) sub-grantees	Amendment 1	\$0.00	Extend grant one month, added HUD required form
September	Energy	Weatherization	9 Dev. Fund sub-grantees	Amendment 1	\$0.00	Extend grant one month
September	Energy	Community Services Block Grant (CSBG)	23 Community Action Agencies	Reduced the CSBG allocations to the community action agencies	\$264,741.00	CSBG funding was decreased from \$10.1 million to \$9.8 million in 2011. Funds were taken back from the community action agencies as a result of the funding decrease
June	Energy	Low Income Home Energy Assistance Program (LIHEAP)	23 Community Action Agencies	Allocated funds on a formula basis to the community action agencies for the administration for the Summer Cooling Assistance Program	\$13,739,829.00	The Summer Cooling Assistance Program allocates \$100 credit to clients who receive EAP benefits in the winter, which also makes them eligible for an air conditioner

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

IV. POLICY AND RESEARCH

A. Individual Development Account (IDA) Award Allocations

Chairman Bramer recognized Jacqueline Troy who presented information regarding the Individual Development Account (IDA) Award Allocations.

Background

The Individual Development Account (IDA) program is a matched savings program designed to assist low-income Hoosiers develop personal finance skills and build assets. The typical IDA participant is between the ages of 20 and 40, a single parent and working full time. Thirty three percent are of minority descent, 73% are female, and 77% do not have a college degree.

Process

IDA accounts are administered by local community non-profit organizations (CDCs) in partnership with area financial institutions throughout the state. Individual participants may receive matching funds for their IDA account from the State of Indiana, the federal government and/or the organization itself via tax credit donations.

At the end of the 2010-2011 Program year, nearly 250 IDA participants graduated from Indiana's IDA Program, leaving approximately 900 active for the upcoming program year. The table following the resolution lists the community development corporation, the number of new accounts recommended by staff, the total number of accounts to be administered by each CDC, and the match obligation for these awards. Recommendations are made based on the past performance of each CDC, organizational program capacity, and the CDCs' requests for new accounts. Each account carries with it a \$335.28 (combined state and federal) program delivery fee, based on performance, that is reimbursed to the CDC entrusted with overseeing the account, providing financial literacy training and guidance to the account holder to achieve his/her asset goals.

Recommendation

The Table below indicates the CDCs and the total award amount being recommended to the Board for approval. Due to a decrease in state funding, organizations whose performance dipped at or below 80% fund utilization/draw down may have received a small reduction in funding levels as compared to 2010-11.

Organization	New Accts	Total Accts	Match Award
Affordable Housing Corporation of Marion	10	80	\$128,000
Area Five Agency on Aging and Community Services	18	155	\$248,000
Area IV Agency on Aging and Community Services	5	5	\$8,000
Combined Community Services, Inc.	1	10	\$16,000
Community Action of Northeast Indiana, Inc.	7	20	\$32,000
Community Action of Southern Indiana	13	65	\$104,000
Community Action Program Inc. of Western Indiana	3	17	\$27,200
CAPE	20	55	\$88,000
Eastside Community Center, Inc.	4	23	\$36,800
Housing Authority of South Bend	0	5	\$8,000
Housing Opportunities, Inc.	3	15	\$24,000
Human Services	3	10	\$16,000
Interlocal	5	5	\$8,000
John H. Boner Community Center, Inc.	25	110	\$176,000
LaCasa of Goshen, Inc.	7	145	\$232,000
Lincoln Hills Development Center	11	50	\$80,000
Muncie Homeownership & Development Center	3	22	\$35,200
Northwest Indiana Community Action	16	75	\$120,000
PACE	6	15	\$24,000
Pathfinder Services, Inc.	15	110	\$176,000
Providence Housing, Corp.	2	8	\$12,800
Providence Self-Sufficiency Ministries	1	5	\$8,000
Pathstone, Corp.	5	30	\$48,000
Real Services	12	20	\$32,000
SIEOC	10	10	\$16,000
South Central Community Action Program, Inc.	21	100	\$160,000
Terre Haute Housing Authority Development Corp.	3	11	\$17,600
Tri-Cap	4	17	\$27,200
Totals	233	1193	\$1,908,800

Following discussion a motion was made by Kendra York to approve awarding a total not-to-exceed amount of \$1,908,800 among the following local community non-profit organizations listed above, in their respective amounts, as recommended by staff, which was seconded by Christopher Jensen. The Chairman did not vote on this motion;

RESOLVED, that the Board approve awarding a total not-to-exceed amount of \$1,908,800 among the following local community non-profit organizations listed above, in their respective amounts, as recommended by staff.

There being no further business the meeting was adjourned at 10:17 a.m.

Respectfully Submitted,

Richard Bramer - signed by *Jillian Long*
 Richard Bramer, as designee of
 Treasurer of State, Richard E. Mourdock

ATTEST:

Sherry Seiwert
 Sherry Seiwert

**Exhibit B
TCAP Applications and Awards as of September 14, 2011**

Applicant #	Award #	Development Name	Awarded Amount	Repayment	City	County	Units	Owner	Developer
2009-TCAP-001	TCAP-09-001	707 North	\$ 9,215,595		Indianapolis	Marion	40	707 North LP	The Whitsett Group LP
2009-TCAP-002	TCAP-09-006	Twin Hills and Blackburn	\$ 6,000,000		Indianapolis	Marion	307	TH and B, LP	PAH, IHA
2009-TCAP-003	TCAP-09-007	Laurelwood and Rowney	\$ 6,000,000		Indianapolis	Marion	231	L and R Housing, LP	PAH, IHA
2009-TCAP-004	TCAP-09-004	Stonegate Village	\$ 3,801,719	\$ 3,801,719	New Castle	Henry	122	Stonegate Village New Castle LLC	Western Region Nonprofit Housing
2009-TCAP-005		Dalton Apartments	\$ -		Gary	Lake	0	Gary Progress Development LP	Gary Progress Development LLC
2009-TCAP-006	TCAP-09-002	Wexford of Michigan City	\$ 4,227,649		Michigan City	La Porte	44	Wexford of Michigan City, LP	The Whitsett Group LP
2009-TCAP-007	TCAP-09-003	Nine North Apartments	\$ 3,465,240		Richmond	Wayne	58	Nine North, L.P.	Herman & Kittle Properties, Inc.
2009-TCAP-008	TCAP-09-005	Northtown Village Townehom	\$ 5,338,130		East Chicago	Lake	50	Northtowne Village Townhomes II, LP	The Community Builders, Inc.
		Total Request:	\$ 38,048,333	\$ 3,801,719			852		
		Total HUD TCAP Allocation:	\$ 38,048,333						
		Remaining:	\$ -						



STATE OF INDIANA
OFFICE OF THE TREASURER
INDIANAPOLIS
46204

RICHARD E. MOURDOCK
TREASURER OF STATE

November 2, 2011

Sherry Siewert
Executive Director
Indiana Housing & Community Development Authority
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

Re: Designee Signature for the September 22, 2011, Indiana Housing & Community Development Authority Board Meeting Minutes

Dear Ms. Siewert:

Please be advised that Richard Bramer, the Indiana Treasurer's designee, resigned with the Office of the Treasurer on October 26, 2011, and was unable to sign the September 22, 2011, board meeting minutes (minutes). Due to his departure with the office, I will now serve as the Treasurer's designee. Pursuant to my correspondence with Gina Jones of the Indiana Housing & Community Development Authority, I have signed the minutes on Richard Bramer's behalf.

Sincerely,

Jillean Battle
Office of the Treasurer of State