

METROPOLITAN DEVELOPMENT COMMITTEE

DATE: April 20, 2009

CALLED TO ORDER: 5:32 p.m.

ADJOURNED: 6:32 p.m.

ATTENDANCE

Attending Members

Kent Smith, Chairman
Virginia Cain
Jeff Cardwell
Brian Mahern
Dane Mahern
Janice McHenry
Jackie Nytes
Lincoln Plowman

Absent Members

José Evans

AGENDA

PROPOSAL NO. 115, 2009 - reappoints Ezekiel David Woodrupp to the Wellfield
Education Corporation Board

"Do Pass"

Vote: 8-0

Creation of Affordable Housing – Rufus "Bud" Myers, Director, Indianapolis Housing Agency

METROPOLITAN DEVELOPMENT COMMITTEE

The Metropolitan Development Committee of the City-County Council met on Monday, April 20, 2009. Chairman Kent Smith called the meeting to order at 5:32 p.m. with the following members present: Virginia Cain, Jeff Cardwell, Brian Mahern, Dane Mahern, Janice McHenry, Jackie Nytes, and Lincoln Plowman. Absent was José Evans,

PROPOSAL NO. 115, 2009 - reappoints Ezekiel David Woodrupp to the Wellfield Education Corporation Board

Mr. Woodrupp stated that he has lived in the Mapleton/Fall Creek area for over 23 years. He stated that he is the former president of the Mapleton/Fall Creek Neighborhood Association. Mr. Woodrupp stated that he is a very big advocate for the people in the neighborhood. He said that he is able to bring a lot of information from the neighbors to the board members. Mr. Woodrupp stated that he looks forward to his reappointment.

Chair Smith asked Mr. Woodrupp to explain what the WellField Education Board does. Mr. Woodrupp stated that the Wellfield Board deals directly with contaminated water that flows through the entire metropolitan area. He said that the board tries to educate individuals on how to correctly dump chemicals in a place that will be separate from the drinking and run-off water.

Chair Smith asked Mr. Woodrupp if the board works directly with the two water companies here in Indiana. Mr. Woodrupp stated that the board deals with different counties with regards to the purification of water. He said that the board is here to educate people on how important it is for the drinking and run-off water to be taken care of. He said that if it is not, the City will have to work much harder and expend more funds to correct the problems. Mr. Woodrupp stated that the board tries to eliminate those things before they get out of hand.

Councillor McHenry asked who in particular the board educates, whether through residents or businesses. Mr. Woodrupp stated that when he receives information from the board, that information is then given to each resident by the neighborhood associations. He said that there are 10 different neighborhood associations that the board works with. He said that the presidents of those associations pass out the information to their members, and if residents have questions for the board, a representative from the board will come to their meetings to explain the importance of water purification.

Councillor McHenry asked if the board advertises in the local newspaper or goes through the individual neighborhood to pass out information. Mr. Woodrupp stated that they do go through the neighborhood to pass out the information so that residents know the importance of the board.

Councillor Plowman thanked Mr. Woodrupp for his service to the board and the City. He stated that this board is voluntary and he appreciates all of the time and talent that Mr. Woodrupp provides.

Councillor Nytes stated that she supports the reappointment and asked that all committee members support the reappointment, as well.

Councillor Nytes moved, seconded by Councillor Cain, to forward Proposal No. 115, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 8-0.

Creation of Affordable Housing

Rufus "Bud" Myers, Director, Indianapolis Housing Agency (IHA)

Bruce Baird, Director of Strategic Development

Mr. Myers stated that he is here to update the committee on recent IHA developments. He said that IHA will be coming back to the committee at a later date to provide an overview of all of the activities in the past year.

Mr. Baird stated that IHA was built in Indianapolis in the late 1960s. He said that through the 1960s and 1970s, public housing struggled. The main issue that public housing and many communities were faced with was inadequate funds to maintain the properties. Mr. Baird stated that affordable housing was moving into a realm where the Low Income Housing Tax Credit program became the main generator of funds to upgrade housing and to build new and affordable housing. He said that this program was established by Congress in 1986. He said that many not-for-profit and private developers started using this program. Mr. Baird stated that the program was designed to serve working families with between 50% to 60% area median incomes (AMI). He said that the rules then would not allow the tax credit program to work with public housing.

Mr. Baird stated that in the mid 1990s, Congress changed the rules and policies of the housing authority and allowed them to use the low income housing tax credit program. He said that for the first time, public-private partnerships began, and IHA was able to work with a developer to complete the Red Maple Grove and the Georgetown development. Mr. Baird stated that this opportunity gave IHA a partnership with the City of Indianapolis. He said that through the vested partnership, the City was interested in crime reduction, blight removal, increase in real estate tax base and providing quality and affordable housing.

Mr. Baird stated that through the city and IHA, their partnership is focused on development outcomes. He said that IHA cares about the neighborhoods and relies on quality amenities and services, energy efficiency and new developments at human scale. Mr. Baird stated that IHA has had success in securing and applying mixed source financing, having a unique structure and access to public housing. Mr. Baird stated that this year, IHA is ready to do two major developments, Welcome Home and New Caravelle.

Mr. Baird distributed a handout detailing some information about Welcome Home and New Caravelle (attached as Exhibit A). Some key points include:

- Substantial renovation of 1,386 public housing and project-based Section 8 units
- Preservation and upgrade of current homes for 3,156 of the city's most vulnerable families
- Key investments in failing mechanicals

- Rehabilitation of common spaces

Councillor Plowman asked from whom IHA purchased Caravelle. Mr. Baird stated that it belonged to Near North Development Corporation. Councillor Plowman asked why IHA decided to purchase Caravelle. Mr. Baird stated that the development corporation wanted to pursue a not-for-profit owner. He said that IHA has a not-for-profit affiliate called Partners for Affordable Housing, and it needed to be not-for-profit to continue to operate as it does today. He said that several groups responded, and IHA was selected as best able to complete the mission of that corporation and manage the property successfully.

Mr. Baird continued with his presentation discussing the financing and need for Welcome Home and Caravelle. Some key points include:

- Total development costs are estimated to be \$75 million
- IHA will use the mixed source financing
- Includes five Low Income Housing Tax Credit applications

Councillor Brian Mahern stated that his impression is that Section 8 is for private landlords that receive some type of voucher payments, and he wonders how the renovations will work. Mr. Baird stated that Section 8 is only tied to the Caravelle development. He said that public housing is just that. Welcome Home and Caravelle were lumped together, because IHA is preparing to do work on both.

Mr. Baird continued with his presentation discussing the need for Welcome Home and Caravelle. Some key points include:

- Housing for the extremely low income families that are primarily below 30% of the AMI
- Number of households exceeds the number of available units by approximately 14,000
- Deteriorating stock of housing for persons in and outside of Center Township
- IHA's asset management program: quality, long term, financial viability of properties
- IHA's high priority placed on substantial rehabilitation of units

Councillor Brian Mahern asked how the recent economic downturn has affected IHA and if Mr. Baird sees the list growing as a result. Mr. Myers stated that there is an increase in demand. He said that sometimes IHA does not have the operating funds. Mr. Myers stated that they are trying to catch up with the issuance of Section 8 vouchers.

Councillor Plowman stated that there are a lot of condemned homes in Marion County. He asked if there is anything IHA can do to take some of those empty homes and renovate them and work them into the plan. Mr. Myers stated that the present plan that the city has is geared more toward the non-profit organizations. He said that at some point where IHA will fit into that mode is when they have Section 8 voucher holders or homeowners that accept Section 8 may step up to occupy. He said that IHA is not taking part in the rehab phase, only concentrating on present projects to get them up to standard.

Councillor Nytes asked if it is fair to say that the housing that IHA is particularly trying to address is the audience that is below the 30% AMI, and that in many instances those families would have a hard time paying the utilities and maintaining single-family homes. She asked if that is a challenge for people at that income. Mr. Myers answered in the affirmative. Councillor Nytes stated that people below the 30% AMI desperately need those programs for them to make housing work. Mr. Baird stated that these families are who IHA serves. He said that they also serve higher income, and when the opportunity to mix incomes arises, they do just that.

Councillor McHenry asked if the new projects that IHA is doing are accessible to the bus lines so that people can get back and forth to work. Mr. Myers stated that IHA usually works with other agencies, and IndyGo is one of those agencies. He said that IHA talked with IndyGo, and they made sure to have convenient bus services. Councillor McHenry asked if there are on site childcare facilities. Mr. Myers stated that there are some childcare facilities in some of IHA's developments. He said that they will go into more detail at their next presentation to the committee. Councillor McHenry asked if any of the developments offer adult programs like General Education Diploma (GED) or training classes. Mr. Myers stated that IHA does work with those entities, and they will go into more detail at the next committee hearing.

Mr. Baird discussed the details of the Welcome Home project. Some key points were:

- Eight communities
 - Barton and Lugar Towers
 - Beechwood and Hawthorne
 - Blackburn and Twin Hills
 - Rowney and Laurelwood
- 1,321 units
- Four Tax Credit applications turned in for the eight communities
- Includes high quality development program for vacant land at the base of Barton and Lugar Towers
- Repairing and renovating units and common spaces
- Improving energy efficiency
- Modernizing security systems
- Upgrading and adding landscaping

Mr. Baird stated that the total budget for construction on the Welcome Home project is \$43 million. Mr. Baird discussed the details of the Caravelle project. Some key points were:

- Sixty-five units of project-based Section 8
- Preserves housing for low income residents in the near northside community
- Rehab of property intends to focus on the 16th Street corridor redevelopment
- Repairing and renovating units and the building facades
- Adding landscaping
- Physically integrating property into the neighborhood
- Compliments the Kennedy/King Memorial Park

- Supported by Indianapolis Housing Trust Fund

Mr. Baird stated that the total construction budget on the Caravelle project is \$3.1 million.

Councillor Brian Mahern asked what the time period is for the projects to be completed. Mr. Baird stated that IHA's goal is to line up all of the tax credits this year and begin work this summer and continue for probably 18 to 24 months.

Councillor Nytes asked if IHA is at liberty to identify their equity partner. Mr. Baird stated that at this stage, there is no equity partner. He said that IHA procures everything that they do by following all guidelines.

Councillor Brian Mahern asked if Mr. Baird anticipates that, with the improvements, IHA will see positive effects in terms of IHA's operating budget and being able to do more with the funds that are already there. Mr. Myers stated that they hope so. He said that every year, the operating funds have been reduced by Congress, and the hope is that it will happen along with encouraging residents to be more frugal with their practices regarding energy.

Councillor Nytes asked if there are other cities where local government puts in some amount of funding for public housing, and asked what the situation is here in Indianapolis regards to local funding. Mr. Myers stated that with many other cities, their local funding is greater when given to their housing authority. Mr. Baird stated that the city does support public housing. IHA works with other agencies to exchange services. He said that there are no property taxes paid, and that allows the rents to be affordable.

Chair Smith asked with regard to the childcare facility, if that will be leased to another entity where no funds are going back directly to the agency itself. Mr. Myers stated that IHA does work out Memorandums of Understanding (MOU) with certain groups in order to do that. He said that IHA is at the point now where they would add some type of leasing arrangement, especially if it was a private entity that would be providing those services.

Chair Smith asked if the additional vacant land that can be developed can be used for leasing, rental or sales. Mr. Baird stated that the downtown site is designed to be whatever a developer proposes to do with it. It could be retail, office space or additional housing. He said that IHA is letting the developers present them what they think the market will bear.

Mr. Baird went on to explain the Critical Aspects of the Welcome Home and Caravelle projects:

- Economies of scale are key advantage
- Size of project attracts larger, more qualified contractors and lowers IHA's administrative costs
- Use of mixed finance approach to renovate public housing
- Need for quality, affordable housing is at an all-time high in Indianapolis
- Creates significant construction jobs

Councillor Dane Mahern thanked Mr. Myers and Mr. Baird for presenting. He said that IHA and the City has done a very good job at revitalizing communities for the better.

Chair Smith asked if, when IHA's request for bids comes out, there can be a requirement to utilize local subcontractors and if there will be someone to make sure that is being done. Mr. Myers stated that IHA will follow up to make sure that local subcontractors are being used. He said that IHA is very proud of their diversity record.

Chair Smith thanked IHA for reaching out to the Army National Guard to be a part of their employment force.

Conclusion

With no further business pending, and upon motion duly made, the Metropolitan Development Committee of the City-County Council was adjourned at 6:32 p.m.

Respectfully submitted,

Kent Smith, Chairman
Metropolitan Development Committee

KS/law