

METROPOLITAN DEVELOPMENT COMMITTEE

DATE: May 27, 2009

CALLED TO ORDER: 5:35 p.m.

ADJOURNED: 7:18 p.m.

ATTENDANCE

Attending Members

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

Absent Members

AGENDA

PROPOSAL NO. 187, 2009 - approves an appropriation of \$42,100 in the 2009 Budget of the Department of Metropolitan Development (Federal Grants Fund) to fund various historic preservation commission initiatives in the Irvington neighborhood, funded by a Preserve America Grant through the U.S. Department of Interior  
“Do Pass”

Vote: 8-0

PROPOSAL NO. 188, 2009 - approves an appropriation of \$892,344 in the 2009 Budget of the Department of Metropolitan Development (State Grants and Redevelopment Funds) to fund the repayment of a revolving loan on the Riverside Brownfield project, extension of Intech Boulevard in a Certified Technology Park, and to assist with site improvements at the Lafayette Square Mall consistent with Community Revitalization Enhancement District (CRED) guidelines  
“Do Pass”

Vote: 8-0

PROPOSAL NO. 189, 2009 - approves an appropriation of \$7,118,000 in the 2009 Budget of the Department of Metropolitan Development (Federal Grants Fund) to provide rental assistance, security and utility deposit payments, housing search and placement and other activities associated with homelessness prevention and to develop and provide affordable rental housing and create economic opportunities primarily for people with low-to moderate incomes, financed by federal stimulus funds for homelessness prevention and community development block grants (CDBG) and an available line of credit rollover in the HOME fund with the U.S. Department of Housing and Urban Development (HUD)  
“Do Pass”

Vote: 8-0

PROPOSAL NO. 190, 2009 - approves an appropriation of \$24,236,000 in the 2009 Budget of the Department of Metropolitan Development (Federal Grants Fund) to purchase foreclosed and abandoned housing and to develop, rehabilitate, rent or resell such housing in order to stabilize neighborhoods and stem the decline of housing values, financed by Housing and Urban Development (HUD) as part of the Neighborhood Stabilization Program (NSP)

“Do Pass”

Vote: 8-0

## METROPOLITAN DEVELOPMENT COMMITTEE

The Metropolitan Development Committee of the City-County Council met on Wednesday, May 27, 2009. Acting Chairman Lincoln Plowman called the meeting to order at 5:35 p.m. with the following members present:, Virginia Cain, Jeff Cardwell, José Evans, Brian Mahern, Dane Mahern, Janice McHenry, and Jackie Nytes. Chairman Kent Smith arrived shortly thereafter.

PROPOSAL NO. 187, 2009 - approves an appropriation of \$42,100 in the 2009 Budget of the Department of Metropolitan Development (Federal Grants Fund) to fund various historic preservation commission initiatives in the Irvington neighborhood, funded by a Preserve America Grant through the U.S. Department of Interior

David Baker, Administrator, Indiana Historic Preservation Commission (IHPC), introduced Ashley Pain, Preservation Commission Planner. Ms. Pain said this ordinance will allow funds provided by the Preserve America Grant to be used for preservation initiatives in the Irvington area. These initiatives would include the completion of a cultural granting initiative, the writing of national registered nominations for potential historical districts, an interactive web map of the area, feasibility studies of the area, and other supporting resources. She said that one of the grant requirements is that it be administered through local government. The IHPC agreed to act as that agent, but the amount of the grant must be included in the budget in order for the funds to be passed through. Ms. Pain said that no additional local dollars are need for this grant. She said that they request that the Council approve this proposal and include these funds in the city-county annual budget.

Councillor Evans asked if this proposal is specific for the Irvington area. Ms. Pain said that this is a one-time grant, and it is specific for the Irvington area.

Councillor Brian Mahern moved, seconded by Councillor Cain, to send Proposal No. 187, 2009 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 8-0.

PROPOSAL NO. 188, 2009 - approves an appropriation of \$892,344 in the 2009 Budget of the Department of Metropolitan Development (State Grants and Redevelopment Funds) to fund the repayment of a revolving loan on the Riverside Brownfield project, extension of Intech Boulevard in a Certified Technology Park, and to assist with site improvements at the Lafayette Square Mall consistent with Community Revitalization Enhancement District (CRED) guidelines

Jennie Fults, Administrator, Division of Community Economic Development, Department of Metropolitan Development (DMD), introduced Stephanie Quick, Assistant Administrator. Ms. Fults said she is seeking approval of Proposals No. 188, 189, and 190, 2009. Each of these proposals are fiscal ordinances seeking appropriations from different funding sources for various economic and community development upgrades. Ms. Fults said that Proposal No. 188, 2009 is for \$892,344, which includes the refunding sources. She said they are requesting \$54,659 to repay a loan obligation to the State of Indiana Finance Authority. The funds were received from the state’s Brownfield revolving loan fund program. She said that the city is a pass-through for these funds. Ms. Fults said that they borrowed these funds from the state and then entered into a subsequent agreement with a company called BBG, LLC, which is a Brownfield redevelopment group. She said that these funds were used to remove underground storage tanks and 830 tons of petroleum contaminated soil at a site in the Riverside neighborhood located at 1429 West 29<sup>th</sup> street. This

work resulted in both commercial growth and job retention. The loan agreement with BBG, LLC is to make the required loan payments to the city, and the city will make the required payments to the state. She said that they are seeking approval to repay the remaining balance of this loan. The funds were originally placed in a non-lapsing fund, but during last year's budget cycle, those non-lapsing funds were done away with. Ms. Fults said that they are seeking appropriations to continue to make those required quarterly payments through May 2011. This payment will bring the balance to zero. Also included in this proposal is an appropriation request of \$587,685 of Certified Technology Park (CTP) funds. The CTP program is a state-run program, and its purpose is to encourage high technology and life science businesses to locate in a specified geographic area. She said that sales and income tax increments generated by the businesses in the CTP are captured and then reinvested into the CTP. These funds could be used for a variety of activities, such as infrastructure improvements, acquisition, operation and maintenance of public facilities, and other business generated activities. Ms. Fults said that CTP is allowed to capture a maximum of \$5 million. She said they currently have a fund balance of \$1.2 million. There are two CTP's located in Indianapolis. The first location is the Bio-Crossroads Life Science CTP on the west side of downtown. The other is located in Pike Township at Intech Park. She said they are seeking appropriations to extend the road known as Intech Boulevard in Intech Park. This extension will allow the owner to quickly begin constructing office space. This road extension will allow Intech Park to compete with some of the surrounding counties.

Councillor Evans said that the Lauth Property Group is having some issues regarding how this funding will affect them. Ms. Fults said that DMD will only work with Lauth Properties on a reimbursement basis, so they would have to have the funding in place to get the work done. Councillor Evans asked if Lauth Properties had the funding to do the work. Ms. Quick said that they are currently working with Lauth Properties to determine that, and it has not been finalized yet. Councillor Evans asked what will happen with funds if they are not used. Ms. Fults said that unused funds will go into the Certified Technology Park fund. Councillor Evans asked when Lauth Properties will have the money to do the construction. Ms. Fults said that she will let the Council know as soon as she knows.

Councillor McHenry asked where the extension of Intech Boulevard will be located. Ms. Quick said it will be on the south end. Councillor McHenry asked if the extension will be in any residential area. Ms. Quick answered in the negative.

Ryan M. Gallmeyer, Director, Office and Industrial Development Operations, distributed the Intech Park Master Plan, which is attached as Exhibit A.

Councillor Evans asked if the construction would run into the residential area. Mr. Gallmeyer answered in negative. He added that the construction will be within Intech Park.

Ms. Fults said that the last part of Proposal No. 188, 2009 includes \$250,000 of Community Revitalization Enhancement District (CRED) Fund. The Indianapolis CRED is located in the Lafayette Square Area. This area was chosen because of the slow national economy, various high and unique concentrations on large retail buildings, and the proximity of several large retailers in the area. She said that the CRED allows the city to capture sales income tax increments and use the funds to reinvest into the district. The city can collect up to \$750,000 a year for 15 years. She said these funds can be used for economic development. The city received its first allocation of CRED

funds in late 2008, and DMD is seeking appropriations for \$250,000. These funds will assist the mall owners with exterior lighting, landscaping, security, and security cameras. She said that the mall is a very strong anchor in the district. Ms. Fults said that the city has been working with the Lafayette Square Mall and the Lafayette Square Coalition to determine the appropriate use of these funds and to work on a long term strategy.

Councillor Plowman asked how the Lafayette Square Area was chosen for these CRED funds. Ms. Fults said that back in 2004, the state set out certain criteria that the city was to look at when they identified the Lafayette area.

Councillor Nytes asked if the Lafayette Square Coalition is in favor of this proposal. Ms. Fults answered in the affirmative.

Councillor Evans asked if there have been a lot of grant applications for this CRED. Ms. Quick said that there have been a lot of requests for various projects, but opposed to spending dollars on small projects, they took a look at the area to determine the best use of the funds.

Councillor Nytes asked if the CRED has generated \$750,000 in a year. Ms. Quick said that this amount is the maximum that the state allows the city to collect, but this area has not generated this amount of money as of yet.

Councillor Nytes moved, seconded by Councillor Cardwell, to send Proposal No. 188, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 8-0.

[Clerks Note: Councillor Smith arrived at 5:56 p.m. Acting Chairman Plowman passed the gavel to Chairman Smith.]

PROPOSAL NO. 189, 2009 - approves an appropriation of \$7,118,000 in the 2009 Budget of the Department of Metropolitan Development (Federal Grants Fund) to provide rental assistance, security and utility deposit payments, housing search and placement and other activities associated with homelessness prevention and to develop and provide affordable rental housing and create economic opportunities primarily for people with low-to moderate incomes, financed by federal stimulus funds for homelessness prevention and community development block grants (CDBG) and an available line of credit rollover in the HOME fund with the U.S. Department of Housing and Urban Development (HUD)

Ms. Fults introduced Erica Aquila, Assistant Administrator, Community Resources, DMD. Ms. Fults said that the larger amount of the funds in this proposal comes from stimulus dollars. The rest is rollover from unspent grants from the typical HUD funding sources from prior years. She said that the city will receive \$3,942,177 of Homelessness Prevention and Rapid Re-housing Funds (HPRP). This is a new source of funding that is a direct result of stimulus awards. It has very specific guidelines and requirements that the city must adhere to. Under the HPRP guidelines, eligible participants include persons who are at risk of homelessness and may become homeless if not for this assistance. This will also help participants who are currently homeless and require temporary assistance to become re-housed or stable in housing. These will assist those families facing housing challenges due to the economic crisis that the country has been experiencing. She said that these funds are not to help the chronically homeless clients that have higher barriers to be

stabilized in housing. She said that a plan was put together for the HPRP program that explained how the dollars would be spent. In addition, that plan was released in a draft form for public comment for 12 days. She said that some comments were received, and these comments were placed in the final version of that plan, which is available on DMD's website. Ms. Fults said that plan includes five percent to be used for administrative costs but the city will not use those administrative costs; they will be passed on to the organizations who are working directly with the clients. Ten percent of the funding will be used to support the city's required data collections and reporting system. The remaining funds will go directly to the clients to be used to provide homelessness prevention and rapid re-housing. They will also be used on a very limited basis for the support services that are directly related to housing. She said that these funds will help clients from having their utilities disconnected and to temporarily pay rent.

Councillor Plowman asked how long the assistance will last. Ms. Fults said that per the HUD regulations, individuals can be helped up to three months. After the three month period, a reassessment will have to be completed to determine if the clients need more assistance for a little while longer. The assistance can be extended up to a maximum of 18 months. Councillor Plowman asked if this is a one-time grant. Ms. Fults answered in the affirmative. Councillor Plowman asked what constitutes clients with higher barriers. Ms. Fults said these types of clients are people with addiction problems, mental health issues, and substance abuse problems.

Councillor McHenry asked if this program will be a part of the Marion County Trustee's office. Ms. Fults answered in the negative. Councillor McHenry asked how the information will be distributed to the public. Ms. Fults said that they are working with community centers and public outreach programs.

Councillor Cardwell asked if there is a phone number or a website where people can get information about the program. Ms. Fults said that they have chosen to contract with the United Way, who will then sub-grant these awards to community centers and homeless providers. She said that they have also talked about using the 2-11 information phone line. Councillor Cardwell asked when this will take place. Ms. Fults said that this will occur at the end of this summer.

Councillor Nytes asked if the funds are limited to Marion County. Ms. Fults answered in the affirmative. Councillor Nytes asked why the United Way was chosen as the provider. Ms. Fults said that choosing United Way was a result of the public forum that was held. Councillor Nytes asked if the funding will be given in the reimbursement procedure or some other procedure. Ms. Fults said that it will be on a reimbursement basis.

Ms. Fults said that the other part of the proposal is a request for \$2,575,447 of Community Development Block Grant Recovery Funds (CDBR). She said that this program is another direct result of the stimulus funds. This program enables local government to undertake a wide range of active duties to create suitable living environments, provide decent affordable housing and to create economic opportunities for people earning less than eight percent of the median family income. The city has sought public input through a number of initiatives. The plan for these funds are available on DMD's website, which includes funding for homeowner repair activities, acquisition of property for future development, demolition of blighted structures, Brownfield assessments and remediation. She said the last part of the proposal is \$400,000 of Home Investment Partnership Funds and \$200,376 of CDBG Funds, which are unspent dollars from prior years that are carried

forward. She said that they have paid all the final claims for 2008 and also reconciled both grant accounts, and there is an additional amount of funds that need to be appropriated.

Nytes said that she will abstain from voting on Proposal 189, 2009 due to a possible conflict of interest.

Councillor Brian Mahern moved, seconded by Councillor Dane Mahern, to send Proposal No. 189, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 8-0-1, with Councillor Nytes abstaining from the vote.

PROPOSAL NO. 190, 2009 - approves an appropriation of \$24,236,000 in the 2009 Budget of the Department of Metropolitan Development (Federal Grants Fund) to purchase foreclosed and abandoned housing and to develop, rehabilitate, rent or resell such housing in order to stabilize neighborhoods and stem the decline of housing values, financed by Housing and Urban Development (HUD) as part of the Neighborhood Stabilization Program (NSP)

Ms. Fults explained the Neighborhood Stabilization Program (NSP) presentation, which is attached as Exhibit B. Some key points are:

- The neighborhood stabilization program was authorized under title III of the Housing and Economic Recovery Act of 2008. It provides grants to State and Local Communities to purchase foreclosed or abandoned homes and to rehabilitate, resell or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values.
- The City of Indianapolis was awarded \$29,051,059
- To secure the funding, the city was required to complete a Neighborhood Stabilization Plan in the form of a substantial amendment to the Annual Action Plan.
- The City convened the Redevelopment Planning Council, which included approximately 50 community stakeholders representing a broad cross section of non-profit organizations, businesses, philanthropic groups, neighborhood residents, developers, realtors, governmental agencies and elected officials.
- The Neighborhood Redevelopment Council recommendations include stabilizing neighborhoods by improving the quality of the housing stock for current residents and preparing the community to guide redevelopment efforts, maximizing the impact of redevelopment by coordinating capital investment with the current and anticipated activities of multiple City departments, geographically targeting investments for greater impact, and creating a structure that sustains comprehensive and coordinated strategy for neighborhood redevelopment.

Ms. Fults said that seven development partnership teams were selected, and the team leads are: Indianapolis Neighborhood Housing Partnership (INHP), Concord Community Development Corporation, South East Neighborhood Development Corporation, Greater Eastside Housing Project Team, Englewood Community Development Corporation, Mapleton Fall Creek Development Corporation, and the Michigan B&O Reinvestment Team. She said that the Indianapolis Neighborhood Housing Partnership is the only organization that did not have a specific geographic project that they would be working on. They are committed to working with each of the other six groups to provide the required home buyer counseling. This program requires that any person buying a home through the NSP program receive at minimum eight hours of home buyer

counseling. They will also be providing down payment assistance to home buyers and potentially some loan financing. Ms. Fults said, in addition, the city has released a Request for Qualifications (RFQ) for three project managers. Each project manager will work with two development teams and they will be the liaison to city government. She said that there's also an RFQ for a grant analyst to make sure reports are accurate and on time, and to make sure the public can get information on the progress.

[Clerks Note: Councillor Cain left at 6:34 p.m.]

Councillor Plowman asked if any of the Councillors are involved in the planning process. Ms. Fults said that Councillor Brown and Councillor Vaughn were involved in the process. Councillor Plowman asked why his district is not receiving any assistance, due to this district having the highest foreclosure rate in the United States. Ms. Fults said that there were certain criteria that they were given and the Franklin Township area did not meet the HUD data requirements. She added that HUD has announced a second round of NSP funds that will be competitive, and the city will be applying for more funds to bring more dollars into this area.

Chairman Smith asked if there is a web address. Ms. Fults said that [www.indygov.org/dmd](http://www.indygov.org/dmd)

[Clerks note: Councillor Nytes left at 6:47 p.m.]

Councillor McHenry asked if the numbers on the map in Exhibit B symbolize anything specific. Ms. Fults answered in the negative.

Ms. Fults said that they have some quick deadlines that they have to meet. She said they need to get the majority of these funds under contract as soon as possible. The deadline to completely spend all of the funds is March 2013. She added that they will closely monitor the spending of these funds to make sure that all are spent and in compliance with the HUD requirements that have been placed on these funds.

Councillor Brian Mahern asked if there is a component that determines whether or not some of these abandoned houses are livable or not. Ms. Fults answered in the affirmative.

Chairman Smith asked what monitoring system is in place for the entities that will receive these funds. Ms. Fults said that the project managers will be in charge of doing the monitoring of the funds. They will also work with the entities on their implementation plan so that eligibility and different types of issues are addressed prior to the expenditure of funds. She said that they will only work with these entities on a reimbursement basis, and they will be required to submit quarterly and annual reports. She said that the city will also perform on-site monitoring visits.

Councillor McHenry asked if any of the funds need to be paid back. Ms. Fults answered in the negative. Councillor McHenry asked what happens to the income that is earned from sales proceeds of the homes that are sold. Ms. Fults said that such income is called program income, and they have very specific guidelines as to what can and cannot be done with these funds. She said that development partners can track and reinvest those funds back into the community. The City can also collect these funds and reallocate the funds, but the money would have to remain in the same 11 areas that were selected.

Councillor Plowman asked if there is a specific dollar amount that is needed to completely fix the abandoned housing problem. Ms. Fults said that there are approximately 7,000 abandoned properties and it is hard to put a calculation on how much each house will cost. Councillor Plowman asked how the city will ensure that the same areas that have been selected to receive this help will not end up back in the same condition. Ms. Fults said that the key will be the strategy and how it is approached. She said that the guidelines and objectives that are in the NSP are long-term goals.

Councillor McHenry asked if there is any plan to provide additional training beyond the eight hours that are given to help prevent people from going into home foreclosure. Ms. Fults said that INHP has a number of components to their training and eight hours is the required minimum amount of hours, but there is a lot more training that is offered

Councillor Dane Mahern asked if it there an effort to use people that have been laid off or are without jobs in the community that could be used to help with revitalizing the community. Ms. Fults said that there are some groups who talked about that in their proposal, which is something that they would pursue on their own.

#### Conclusion

With no further business pending, and upon motion duly made, the Metropolitan Development Committee of the City-County Council was adjourned at 7:18 p.m.

Respectfully submitted,

Kent Smith, Chair  
Metropolitan Development Committee

KS/rjp