

METROPOLITAN DEVELOPMENT COMMITTEE

DATE: July 27, 2009

CALLED TO ORDER: 5:32 p.m.

ADJOURNED: 7:12 p.m.

ATTENDANCE

Attending Members

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

Absent Members

Virginia Cain

AGENDA

PROPOSAL NO. 272, 2009 - appoints Virgil Madden to the Wellfield Education Corporation Board
"Do Pass" Vote: 9-0

Indianapolis Housing Agency Update – Executive Director Rufus "Bud" Myers

METROPOLITAN DEVELOPMENT COMMITTEE

The Metropolitan Development Committee of the City-County Council met on Monday, July 27, 2009. Chairman Kent Smith called the meeting to order at 5:32 p.m. with the following members present: Jeff Cardwell, José Evans, Brian Mahern, Dane Mahern, Janice McHenry, and Jackie Nytes. Virginia Cain was absent. Lincoln Plowman arrived shortly thereafter.

PROPOSAL NO. 272, 2009 - appoints Virgil Madden to the Wellfield Education Corporation Board

Virgil Madden said that he spent most of his career in Municipal Government working in Court Administration. After that, he worked for the Indianapolis Public School (IPS) system and then went back to Court Administration. He said that he enjoys being a behind-the-scenes kind of person who engages people in democracy. Mr. Madden said that he was educated at Butler University and spent a number of years on the Archdiocese School board. He was involved with Butler University's Higher Education Program and studied at the University of Ghana in a graduate program. Mr. Madden said that he is now the Vice Chairman of a Charter School program that allows high school students to earn an Associates degree while working on their high school diploma.

Councillor Nytes asked Mr. Madden why he is interested in the Wellfield program. Mr. Madden said that he does not have any particular interest in that program, but he believes that one has to be engaged in order to understand what this program is all about.

Councillor Brian Mahern asked how quickly Mr. Madden can learn about the program. Mr. Madden said that once the appointment process is complete, he will immediately get started to get up to speed.

Councillor Cardwell asked if the attendance requirements will be a problem. Mr. Madden said that his intent is not to miss any meetings. He said that if he is a participant in something, then he tries to be very active.

Chairman Smith said that he received a list of the different committees and a list of names of people that would qualify for those committees. He said that there are people that have a desire to serve, but do not have the skills, and some people have the skills, but no desire to serve. Chairman Smith said that he chose Mr. Madden because of his strong background in education. He said that he believes he is the best candidate for this position.

Councillor Plowman moved, seconded by Councillor Dane Mahern, to send Proposal No. 272, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 9-0.

Indianapolis Housing Agency Update – Executive Director Rufus "Bud" Myers

Mr. Myers explained the budget presentation, which is attached as Exhibit A. Some key points are:

- The nation's public housing program was established in 1937 to provide decent and safe rental housing for low-income families. Year-to-date, there are approximately 1.2 million public housing units, administered by over 3,100 local Public Housing Agencies (PHA's)

- The Indianapolis Housing Agency (IHA) was established in 1964 under the Indiana Housing Authority Act. Ninety-eight percent of this program is funded through the United States Department of Housing and Urban Development (HUD).
- IHA's mission is to provide safe, quality, and affordable housing, without any discrimination.
- IHA administers funding for 9,000 families throughout Greater Indianapolis. These families are funneled through a few different programs including the Public Housing Program and the Housing Choice Voucher Program.
- The Office of Special Investigation (OSI) has arrested more than 350 people charged with defrauding IHA and HUD.
- IHA's Housing Management Department operates IHA's business interests for the low-income Public Housing program. The program is primarily subsidized assistance for residents of IHA-owned properties.
- The Housing Choice Voucher Program (commonly referred to as the "Sections 8" program) includes tenant and project-based housing choice vouchers, disaster housing assistance vouchers, and veterans' affairs supportive housing vouchers.

Bruce Baird, Director of IHA's Strategic Planning Department, said that they spoke about eight applications that were submitted to the state for tax credit. He said that this funding will help with major renovations that were proposed to public housing and the community. He said they were successful in getting four of eight tax credit awards for the community. Mr. Baird said that they received \$3 million in credits, which translates to about \$21 million in funds. He said that IHA was awarded \$5.2 million in stimulus funds that will also help with the Welcome Home Program. He said that they signed a contract at the last IHA Board meeting and began construction work using the stimulus funds. Mr. Baird said that they have also signed a letter of intent to sell some credits. He said that they hope to close on this project at the end of September. He said that another development is the New Caravel Common on East 16th Street between College Avenue and Central Avenue. This is a project purchased by Subsidiary Housing, which is a division of IHA. He said that that project has not received any tax credits as of yet. They are working with the State Housing Community Development Authority, the Kroger Store in that area, and some other community development authorities to create a large project. Mr. Baird said that there is a portion of competitive stimulus funds for public housing authorities and IHA turned in competitive applications in July totaling \$25.2 million. He said that if any of these applications are awarded, IHA will have some additional funds to be used to improve public housing.

IHA Police Chief Erick Golden explained the OSI presentation, which is attached as Exhibit B. Some key points are:

- Of 2,831 homes that were foreclosed, the total bank loss of HUD funds was \$62,713,078.
- The individuals of the Cartel Group obtained 568 homes that all went into foreclosure.
- The first decrease in public housing crime since 2004 came in 2008.
- OSI's primary responsibility is mortgage fraud, but they assist the Indianapolis Marion County Police Department (IMPD) by passing along information that would help in solving other crimes.
- In 2006, 2007, and 2008, OSI operated with no government funding.
- OSI reviews about 8,000 returning offenders yearly.

Chairman Smith asked if the problems in these zip code areas have anything to do with the number of returning home offenders. Chief Golden said that they receive emails every morning from the Department of Corrections (DOC) giving 30 days advance notice as to who will be released. He said that the high rate of absentee ownership by this mortgage fraud has created a bad crime problem. Mr. Myers added that IHA does have a returning home offender crime program at the agency that allows those persons to apply for housing. If they have the ability to do the job, then they will get hired. He said that they are working with the Mayor's office to help get the program moving.

Senghor Manns, Chief Operating Officer, said that HUD reportables focus on three major areas; the Public Housing Program; the Housing Choice Voucher Program; and the Capital Fund Program. He said that IHA is graded annually on these three programs. Mr. Manns said that IHA is also graded on their financial stability. He said that public housing is graded on its progress based on a system called the Public Housing Assessment System (PHAS). HUD is in the process of revising this system and no longer using this system. Mr. Manns said that they have continued to monitor themselves on this system and forward their scores to HUD. He said that IHA's current financial stability score is rated at 25%. He said that an 18% score is considered to be a troubled rating, above 18% is considered to be a standard rate, and 27% is considered to be a high performing financial agency. Mr. Manns said HUD comes in with a third party contractor and grades the physical condition of the units. He said that they have had a tough time with the Real Estate Assessments Center (REAC). He said that they believe that the dollars that are received from the Capital Fund Program, as well as the tax credits, will allow IHA to reinvest into those properties to increase the REAC scores.

Mr. Manns explained the HUD reportables portion of the presentation, which is attached as Exhibit A. Some key points are:

- In 2008, HUD no longer requires the use of the traditional PHAS or the Management Assessment Sub System (MASS), and they have discontinued the Resident Assessment Satisfaction Surveys (RASS).
- The 2008 PHAS financial submissions are still required and were submitted on February 28, 2009.
- The 2008 physical inspections were conducted at sites selected by HUD early in 2009.
- IHA has leased 7,000 of the 8,000 Section 8 voucher units, which gives them an 86% Section Eight Management Assessment Programs (SEMAP) score rating. An agency is considered a troubled Section 8 apartment program if the score is 59% or below.
- Public Housing Occupancy rate is at 96%. IHA will be 98% or above by the end of the year.
- IHA encouraged the participation of disadvantaged businesses, including those owned by the disabled, minorities, and women, to participate in the variety of contract opportunities IHA provide.

Councillor Plowman asked who is tasked with the upkeep of the property once the properties have been rehabbed. Mr. Manns said that it is based on the funding that is received by the Capital Fund Program every year. He said they have to prioritize how they are going to use the funds that they receive into the Capital Fund Program. Mr. Manns said that there may be the impression that the IHA is responsible for the health and condition of the Section 8 program. He said that IHA is responsible to the extent that they do annual inspections on each of those properties. He added that

there is a program that HUD is now working on that allows landlords to ask for grant money to fix up their properties. Mr. Myers said that there is a history of a shortfall of money to make the repairs that are needed.

[Clerk's note: Councillor Plowman left at 6:29 p.m.]

Councillor Nytes asked if there is anything in the program that helps renters learn how to responsibly take care of their properties. Mr. Myers said that IHA has a program for keeping housing in which they instruct certain tenants to enroll so that they will not lose their present lodging; however, the funding for that program has been short in the last four years. Councillor McHenry said that it may be beneficial to require some type of home care educational program.

Councillor Cardwell asked if there are any type of faith-based programs that would provide free services. Mr. Myers said that they have a program now called Providers of Services, and they meet with IHA at least three times a year.

Councillor Nytes asked what the factors are that make it hard for IHA to meet the high performance score rating. Mr. Manns said that some factors include the fact that it is a massive program, along with providing resources and housekeeping education. He said another factor is the decision on how to use the resources. Councillor Nytes asked if getting units inspected is part of the challenge in meeting this high performance score rating. Mr. Manns answered in the affirmative. Mr. Myers said that some programs in other cities are telling families that are currently on their program that in the next six months they will have to come off the program, because they will not have the money available to pay their rent. He said that they are constantly watching to make sure that IHA does not run into this type of situation.

Councillor Evans asked if there are any plans on developing new public communities. Mr. Myers said that the trend now is not to have 100% public housing units, but to have mixed income units.

Councillor Nytes asked if there is any feedback on why some of the Section 8 choices vouchers seem to all go to the same areas. Mr. Myers said that when HUD closed one of the old communities where most of the tenants had Section 8 vouchers, they all seemed to move to the same area. He said that it is called the Cousin Syndrome, where people like to live around people with whom they are familiar. He said that people also use the location of the church, the doctors, and hairdressers when deciding where to move.

Chairman Smith thanked everyone from IHA for their presentation and added that this information filled a lot of gaps. Chairman Smith also thanked IHA on behalf of the military for providing housing and employment for those returning from the military.

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Conclusion

With no further business pending, and upon motion duly made, the Metropolitan Development Committee of the City-County Council was adjourned at 7:12 p.m.

Respectfully submitted,

Kent Smith, Chair
Metropolitan Development Committee

KS/rjp

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