



# ANCHORING REVITALIZATION:

A PROGRAM OF THE INDY CHAMBER AND  
INDIANAPOLIS NEIGHBORHOOD HOUSING PARTNERSHIP



## **INTRODUCTION**

Since the completion of the Indianapolis Anchor Institution Study in 2014, the Indy Chamber, Indianapolis Neighborhood Housing Partnership (INHP), and Local Initiatives Support Corporation (LISC) have met with the chief executive officers and senior leadership of the anchor institutions in Indianapolis, including the non-profit hospitals, colleges, universities, and cultural institutions. During 2015, the findings of the study were presented and the anchor institutions expressed universal support for a shared-value strategy which supports the common goals of Indianapolis' anchors, their surrounding neighborhoods, and the community. The Indy Chamber is leading the development of the Anchor Institution Strategy, in collaboration with implementing partners such as INHP and LISC.

In response to anchor institution support for strategies to specifically address housing and neighborhood revitalization issues, the Indy Chamber, with assistance from INHP, is developing an Anchor Institution Housing Program that may benefit employees of participating non-profit anchor institutions which will also focus revitalization efforts in the neighborhoods around the anchor institutions. The objective of the Anchor Institution Housing Program is to attract and retain talent, with incentives to encourage individuals and families to live close to where they work, while further stabilizing or revitalizing surrounding neighborhoods.

INHP will provide homeownership programs and services including homeowner education and advising as well as mortgage placement and origination support. The value of the products and services provided by INHP will at a minimum be \$5,000 per homeowner for education and advising. INHP will also provide matching funds for down payment assistance and homeowner repair assistance to those in households making less than 120% of Area Median Income (AMI).

The Indy Chamber and INHP intend to select several anchor institutions to participate in a program that is planned from mid-2018 through 2019.

## **APPLICATION**

Based on the high level of interest from the leadership of the anchor institutions, demand for an Anchor Institution Housing Program and services will likely exceed available resources. The Indy Chamber has, therefore, developed an objective and transparent process to evaluate the anchor institution's interest, commitment, and readiness to deploy the investment in line with objectives of the Program.

To apply for the program, please provide a narrative statement and supporting information as necessary to address the following five program considerations.

### **1. IMPACT**

- a. Describe the total employment at the principal location of the anchor institution, including full-time and part-time employees, total payroll, and average wage (as reported on W-2s).
- b. Indicate the number of employees by ZIP code of residence: total employees outside of Marion County, total employees within Marion County, and total employees within the ZIP code of the anchor institution.
- c. Define the preferred boundaries for an Anchor Institution Housing Program that would be impactful to the neighborhood. How and why were the boundaries considered?

## 2. CONTEXT

- a. Describe the preferred Program boundary around the anchor institution, including a socio-economic profile of the households and population; and the characteristics of the housing and commercial services. Data can include crime statistics, educational attainment, unemployment rate, home size and configuration, age and condition of structure, housing tenure, household composition, household income, etc.
- b. What are the housing market conditions for new and existing housing in the preferred program boundary?
- c. Within the preferred program boundary, what is the supply of quality, affordable, existing housing stock and/or sites for new development to make a housing incentive program successful?

## 3. COMMITMENT

- a. Describe an amount or range the institution would budget for housing assistance in 2018 and potentially in 2019. It is acceptable to submit an application contingent on a good-faith effort to achieve approval in an upcoming budget cycle.
- b. Describe a target number of homes/new homeowners the anchor institution would impact in 2018 and 2019 within the preferred program boundary.
- c. Describe other funding and resources the anchor institution has committed to community development in the preferred program boundary in 2018 and 2019.
- d. Describe how the housing strategy may fit into a broader anchor effort or corporate strategy.

## 4. LEVERAGE

- a. Does the preferred program boundary have eligibility for other housing or community development programs which can be leveraged? If yes, please list those programs.

## 5. ENGAGEMENT/PARTNERSHIPS

- a. Why is a housing assistance strategy important to the anchor institution and the surrounding neighborhood?
- b. Describe any partnerships with other anchor institutions or community development organizations and the respective roles and responsibilities.

## TIMELINE

The following timeline reflects the priority that the Indy Chamber and INHP are placing on the Anchor Institution Housing Program, which is:

JUNE 14, 2018 – Applications will be sent via email to non-profit anchor institutions in Indianapolis.

JULY 8, 2018 – Anchor institutions intending to complete the application process should submit a non-binding expression of interest to the Indy Chamber via email to Joe Hanson at [jhanson@inhp.org](mailto:jhanson@inhp.org). The expression of interest is for planning purposes and should identify the lead contact for the anchor institution in the preparation of the application.

JULY 20, 2018 – Applications due to the Indy Chamber and submitted via email to Joe Hanson at [jhanson@inhp.org](mailto:jhanson@inhp.org).

AUGUST 3, 2018 – Announcement of anchor institutions selected to participate in the program. Thereafter, program is launched to anchor institution employees.

## CONSULTING AND DATA SUPPORT

The Indy Chamber and INHP have contracted with Greenstreet Ltd., a strategic planning and real estate firm, to assist anchor institutions in preparing applications for submittal to the Indy Chamber for the Anchor Institution Housing Program. Greenstreet is available to answer questions and advise anchor institutions on the preparation of relevant data for the application.

The project manager for Greenstreet is Mark O’Neill, 317.964.0668 or mark@greenstreetltd.com.

## EVALUATION

Reflecting the program priorities, the Indy Chamber and INHP will be evaluating and scoring applications from anchor institutions based on the following criteria. The maximum score is 60 points.

1. IMPACT (maximum 25 points total for category)
  - a. Number of down payment assistance and repair grants per 1,000 single-family homes in the preferred boundary area – Points will be awarded with the most points to the applicant that demonstrates the greatest concentration.
2. LEVERAGE (maximum 20 points total for category)
  - a. Demonstrated leverage – Anchor institution is providing substantial investment (leverage) directly and indirectly
    - i. 3:1 Leverage - 20 points
    - ii. 2:1 Leverage - 15 points
    - iii. 1:1 Leverage - 10 points
    - iv. <1:1 leverage but greater than 0 leverage - 5 points
3. COMMUNITY ENGAGEMENT/PARTNERSHIPS (maximum 15 points total for category)
  - a. The anchor institution has clearly defined goals and outcomes to support a neighborhood plan through multiple partnerships/engagements.
  - b. This score will be subjective with maximum points supported by a clear and substantive engagement by multiple partners.

## FREQUENTLY ASKED QUESTIONS

Below are a series of frequently asked questions. Please continue to utilize Greenstreet Ltd. for assistance with applications. The project manager for Greenstreet is Mark O’Neill, 317.964.0668 or mark@greenstreetltd.com.

For Indy Chamber related questions, please contact Mark Fisher at 317.464.2291 or mfisher@indychamber.com. For INHP related questions, please contact: Joe Hanson at 317.610.4680 or jhanson@inhp.org.

## APPLYING FOR THE PROGRAM

### ***Q. Is there a maximum or minimum amount the anchors can request?***

A. The program has limited matching resources, but no minimum or maximum amount per anchor has been established. The Indy Chamber will prioritize applications per the scoring criteria to maximize impact. Accordingly, applicants may not be awarded the full request. If this situation occurs, the Indy Chamber will discuss options with the applicant.

### ***Q. What is the total funding available for the Anchoring Revitalization program?***

A. \$800,000

**Q. Do the applicants need to take INHP's homeownership classes?**

A. INHP offers comprehensive lending, mortgage and credit advising, and homebuyer education services. These services represent a \$5,000 value per homebuyer and will help ensure that the buyer will become...and remain...long-term, successful homeowners. While all services are available to the participant, only the Home Buyer Education course (available online or in-person) will be required for down payment assistance recipients receiving INHP funds. Homeowner repair assistance has no education requirements. For participating home buyers not receiving INHP funds, the classes are encouraged and advising is available.

**Q. Does the anchor institution's campus need to be within the focus area?**

A. No. However, the objective of the Anchor Institution Housing Program is to attract and retain talent, with incentives to encourage individuals and families to live close to where they work, while further stabilizing or revitalizing surrounding neighborhoods. Accordingly, the focus area must be nearby.

**Q. Can the applicant rent out the home they've purchased through the program and still receive the assistance?**

A. No. The program is limited to owner-occupied homes.

**Q. Can partners include for-profit businesses?**

A. No. The INHP funds are limited to assisting non-profit anchor institutions. However, anchor institutions are encouraged to develop partnerships with other organizations, including for-profit businesses, to accomplish neighborhood revitalization goals.

**Q. Can partners include religious organizations?**

A. Yes, if the organization is tax-exempt under section 501(c)(3) of the Internal Revenue Code. If the organization is another type of non-profit organization, INHP will evaluate eligibility.

**Q. Can partners be city-wide organizations? Do partners have to be focused on a specific geography shared with the anchor?**

A. Partners can be city-wide organizations but they must be involved in revitalization efforts in the anchor institution's neighborhood.

**Q. If a commitment range is given, which number will be used in the scoring for Part 2: Leverage?**

A. The anchor can indicate a range in the application. However, the anchor should also indicate an amount that the organization is willing to commit, for the purposes of determining leverage.

**Q. What can be considered as an "indirect" investment for the scoring in Part 2: Leverage?**

A. Anchors are encouraged to make a case for recent, or upcoming community development investments within the boundary to be counted as indirect investments. They must be related to housing or neighborhood stabilization, and have occurred, or are expected to occur, within two years of January, 2019.

**Q. Can an anchor that services a large or county-wide geography apply?**

A. Yes, a single organization can apply for funding for multiple anchor locations and neighborhoods.

**Q. Should the amounts requested for homeowner repair assistance and down payment assistance be the same?**

A. The amounts for down payment assistance and homeowner repair assistance may vary by neighborhood, depending largely on the housing market and unique characteristics of the neighborhood. The program expects to average matching resources from INHP of \$7,500 per unit.

**Q. Does the application need to address both down payment and homeowner repair assistance?**

A. INHP strongly prefers a program that addresses both attracting new residents and supporting those currently living in the neighborhood. It is not necessary that both be funded with this program if the anchor can demonstrate that there are dedicated resources available to the target geography to meet the need not covered by the application.

**ADMINISTERING THE PROGRAM**

**Q. What are the income restrictions of the program?**

A. Applicants with household income over 120% of the Area Median Income (AMI) are only eligible for the anchor institution’s portion of the funding. Those applicants with household income under 120% of AMI are eligible for the INHP program funding. In addition to funding from the anchor and INHP, applicants with household income below 80% of AMI may also be eligible for other assistance programs for low-income households. INHP will work with eligible applicants to access such funding opportunities.

**FY 2018 HUD INCOME GUIDELINES - MARION COUNTY, IN**

HOUSEHOLD SIZE	120% OF AREA MEDIAN INCOME
1	\$64,920
2	\$74,160
3	\$83,400
4	\$92,640
5	\$100,080
6	\$107,520
7	\$114,960
8	\$122,400

Source: HUD

**Q. What is the commitment from the anchor institution employee to receive the funding?**

A. This program is modeled after successful employer assisted housing initiatives in Cleveland and Detroit. Employees that take advantage of the down payment and homeowner repair assistance will need to make a commitment to remain employed with the anchor institution and maintain the home as their primary residence for the term of the incentive (i.e., five years). If the program participant has a separation of employment (either voluntary or involuntary), sells the home, no longer uses the home as their primary residence, has a foreclosure, or the home is deemed uninhabitable, within the incentive period from the day they close on the house, the participant must repay the portion of the loan that has not yet been forgiven or the loan converts to a note which is secured by a lien on the property. Under the homeowner repair program, the participant must repay the portion of the loan that has not yet been forgiven or the loan converts to a note which is secured by a lien on the property.

**Q. How does this program affect employee’s tax obligations?**

A. The down payment assistance and homeowner repair assistance is structured as a forgivable loan, without interest, to an anchor institution employee. If the term of the forgivable loan is five years, 20% of the principal balance of the loan will be forgiven per year. If the anchor limits the program to their employees, the assistance will likely count as taxable income each year as the loan is forgiven. In this case, the anchor will provide an annual gross-up of wages approximating the potential tax liability to applicants in households making less than 120% of AMI. Participants are encouraged to consult with a qualified tax advisor.

Anchors also have the option of offering the down payment assistance and homeowner repair assistance to anyone (not limited to employees) moving to, or living within the program boundaries. In this case, the assistance is considered a gift, and is unlikely to be taxable income.

***Q. How will funds flow from the anchor and INHP to the program participant?***

A. The program is designed to let the anchors use INHP's liquidity and expertise in managing down payment assistance and homeowner repair assistance for households making less than 120% of AMI. For these households, INHP will fund the down payment assistance at closing and repairs upon successfully passing inspection. INHP will then bill the anchor institution monthly with the detailed accounting of the funds provided under the program.

For those in households earning more than 120% of AMI, INHP will facilitate the purchase process for the applicant and provide instructions to the anchor to fund the down payment assistance directly at closing. For homeowner repairs, INHP will be available to advise on the scope of work and vendor selection but the recipient will seek reimbursement directly from the anchor.

***Q. Can the applicant purchase a duplex with the down payment assistance?***

A. Yes, structures consisting of two units are also eligible provided that one unit remains owner occupied as the qualifying applicant's primary residence.

***Q. Are applicants who currently own their primary residence within the program area eligible for the down payment assistance?***

A. No.

***Q. Are applicants who currently own their primary residence within the program area eligible for the homeowner repair assistance?***

A. Yes, with the exception of residences governed by an HOA, condominium association, or similar property owner's association.

***Q. Does the program cover rental assistance?***

A. Not at this time.

***Q. Does the down payment assistance program only include single-family homes or are condominiums eligible as well?***

A. Single-family residences, condominiums, townhomes, and other attached owner-occupied homes are eligible for down payment assistance. Structures consisting of two units are also eligible provided that one unit remains owner occupied as the qualifying applicant's primary residence.

***Q. What happens if a potential participant cannot find a home within the 60-day period? Will they still be eligible to participate in the program in the future? Do they need to reapply?***

A. The applicant will have 90 days from the date of eligibility approval to locate a property for purchase. The applicant will further have 60 days from property pre-approval in order to complete their purchase. In the event of a delayed closing, a 30-day extension can be considered and authorized. Applicants whose closing date is delayed beyond the 30-day extension will be addressed by INHP and, subject to funding availability, will be evaluated on a case by case basis.