



MINUTES

August 27, 2020

Board Meeting

Members Present

Kim Minton.....President
Steve Woods.....Vice President
Amy RichardsonSecretary
Lisa Jones.....Treasurer
David Bedwell.....Member
Tina Gross.....Member
Dustin Royer.....Member

Others Present:

Krista Linke.....Community Development Director
Rob Schafstall.....Legal Counsel

Welcome:

Kim Minton called the meeting to order at 8:00 a.m.

Approval of Minutes – April 30, 2020

Dustin Royer made a motion for approval of the minutes. Steve Woods seconded. Passed unanimously, 7-0.

Monthly Reports:

A. Awareness Committee or Monthly Update: Amy Richardson had no report.

B. Finance Committee or Monthly Update:

1. 2019 Audit – The audit is in process currently.
2. April, May, June and July Financial Reports – Krista Linke reviewed July's financial reports. Commercial façade matching grant fund has \$308,000. Commercial and residential revolving loan fund has \$438,000. There is a CD at First Merchants for \$250,000. Operating at Mutual is \$101,000. RFP and direct investment is \$84,000. Approximately \$1.2 million total is in the bank. Accounts receivable is \$574,000 currently out in loans being repaid. The budget is good. Rent income is on track. All residential programs but one have been closed out through July. Ms. Linke is working with 348 E. King Street to get in their final draws. Several commercial loans are yet to be closed out and several façade grants are outstanding.

The balance in programming funds at the end of July was \$438,000. The revolving loan interest payments total \$91,000. Program funds available for the residential and commercial loan programs are \$295,000. Commercial façade grant has \$101,000 outstanding. The balance is \$308,000. \$206,000 in façade grant funds is not committed. Direct investment has \$6,500 not committed. Total uncommitted programming funds is \$508,000.

Ms. Linke reported 14 people who've expressed interest in the loan and grant programs. There were no applications for the last round. The only programming done this year was the \$50,000 put

to the small business grant match. Mr. Woods supported the program re-start, and Ms. Linke suggested \$100,000 which would cover seven or eight applicants at \$15,000 each unless the board wanted to increase the individual amount. She advised leaving it at \$15,000 except for special exceptions due to the magnitude of the project. Higher amounts could be brought to the board for approval. Lisa Jones supported another round.

Ms. Jones made a motion to allocate \$100,000 for a second round of applications per the deadlines as outlined by Ms. Linke. Ms. Richardson seconded. Passed unanimously, 7-0.

3. Loan Interest: transfer to new account (\$91,495.45 since 2009 through 7/31/20) – Ms. Linke suggested doing this for tracking and audit purposes. It would also be monies not governed by RDC guidelines for special projects. Rob Schafstall concurred. Ms. Jones made a motion for this transfer. Ms. Gross seconded. Passed unanimously 7-0.

C. Loan and Grant Committee or Monthly Update:

1. Office of Community and Rural Affairs (OCRA) Small Business Grant Match (\$50,000) – Funds were given to entities not eligible for OCRA funds.
 - a. Jefferson Street Pub
 - b. Franklin Heritage
 - c. Center for Global Impact
 - d. Farm Girl Mercantile
 - e. Brian Leslie Salon
 - f. Coffeehouse Five
2. 2nd Round of Applications in 2020 – Proposed Deadlines and Amount Available
 - a. Applications due Monday, September 28th, 2020 at 4:00pm
 - b. Site visits conducted Tuesday, October 13th starting at 3:00pm
 - c. Loan and Grant Committee Meeting Tuesday, October 20th at 3:00pm
 - d. Board Meeting Thursday, October 22nd at 8:00am

D. Development Committee or Monthly Update:

1. Tax Sale September 18th, 2020 – Ms. Minton reported two properties for consideration. There was also discussion on the status of past tax sale properties ongoing.
2. 280 Circle Drive – Ms. Linke reported this property to be three parcels with the house located on two parcels. Both parcels have been delinquent in taxes for several years, and the city has been mowing it. Combined, there is over \$63,000 in back taxes and liens on the two parcels. The third parcel has never been assessed for very much as there is no structure on it, and the owner has been paying the minimal taxes. The county reported to Ms. Linke that the owner is now behind on the third parcel's taxes, but it has to be two years behind before it will go to tax sale. Mr. Royer had suggested contacting the owner for a direct sale of the third parcel, but it is unsellable. The county could take the two parcels with structure through the tax certificate process. The house is a little over 1,000 square feet. There is no garage on the property. The outside is rough but seems to be structurally sound. Repairs could run approximately \$60,000. The house currently is worth \$20,000 conservatively. Fixed up it could be worth \$100-120,000.
3. 650 Hurricane Street – This is not up for tax sale but has been sitting vacant. It has been a problem in the neighborhood for over 20 years. It is owned by Bob White who purchased it for \$17,000 and would be willing to sell it to the FDC for \$17,000.

Danny Causey and Rob Shilts presented with handouts. Mr. Causey identified their fee of \$1,500 being relatively low the first year based on their desire to partner with FDC. Mr. Shilts gave some background on FHI past endeavors with volunteers. He also identified neighbors who worked on their neighboring properties motivated by FHI's work at houses in their areas. He went on to make their suggestions for improvements on both 280 Circle Drive and 650 Hurricane Street. Mr. Causey identified some of their volunteer contacts and sources and services they can provide.

Mayor Barnett expressed his support for this cooperation and work on troubled properties. Ms. Linke believes affordable housing to be a new chapter for the FDC.

Ms. Linke has lien and title search information on the two properties. County commissioners are very willing to work with FDC on the Circle Drive property. Mr. Royer took some investors by it and they project \$20,000 sale price as is. He went on to discuss several other options. Approximately \$5,000 is anticipated to be the total cost for the Circle Drive properties. Ms. Linke recommended the RFP process for the property. Mr. Royer asked if there is potential for someone to buy the property at tax sale. Ms. Linke identified it is a possibility and would like residential programming to be FDC's focus. Ms. Jones asked if there is enough money to do both properties. Ms. Linke sees this as part of the equation. Circle Drive will have to wait for clear title which could be a six-month process. Both properties could be done but likely one at a time due to cash flow. One or two a year would be maximum capability. Ms. Richardson asked if FHI has the capacity to do two properties. Mr. Causey identified their maximum to be that of FDC's, one to two properties at a time as well. Ms. Minton believes 280 Circle Drive to be the easier property to move forward on. The Hurricane property is in very poor condition, and she felt more budget numbers are needed. Ms. Jones asked FHI who would manage the project. Mr. Causey explained that at the amount of the proposed fee, it would be a partnership between FDC and FHI. Ms. Gross asked if cooperation with Habitat for Humanity would be a potential, and Ms. Linke and Ms. Minton suggested possibly. Mr. Shilts and Ms. Linke highlighted their enthusiasm and things learned from a Bloomington visit.

(Mr. Bedwell had to leave the meeting but expressed his support for a maximum offer of \$2,500 for the purchase of the third parcel at 280 Circle Drive.)

Ms. Jones made a motion to offer a maximum of \$2,500 net to the owner of the third parcel at 280 Circle Drive contingent on the ability to secure the other two parcels. Mr. Royer seconded. Passed unanimously, 7-0.

Director's Report

1. Dustin Royer's Term Expiration – At Large: 1 Year Term (Appointed September 2019) – He is willing to serve another year. Ms. Richardson made a motion to reappoint for a second term. Ms. Gross seconded. Passed unanimously, 6-0.
2. Young's Creek Redevelopment Area (Amphitheater) Groundbreaking Ceremony: Sept. 17th at 10am

Public Comment

None.

Adjournment

No further business came before the Directors. The meeting was adjourned.

Approved this 22nd day of October, 2020:

By: _____

Kim Minton, President

Attest: _____

Amy Richardson, Secretary