



# Opening Doors for **Would-be** Home Buyers

**Program Brings Nonprofit Employers and Their  
Workers Together to Build Stable Neighborhoods**

There's a sign in the office lobby of Indianapolis Neighborhood Housing Partnership (INHP) that reads:

**"The vision of INHP is that every person in Indianapolis has the opportunity to live in a safe, decent and affordable home in a vibrant neighborhood."**

**Jamila Fann is one of those individuals** who reflects that vision. In 2016, she and her husband Jamichael bought their eastside Indianapolis home where they're now raising two young daughters. Jamila credits INHP for that. "I didn't know what went into homeownership," Fann says. "INHP provided the information and guidance I needed."

For more than 30 years, INHP has been providing support and encouragement through a variety of programs to aspiring and current homeowners throughout Indianapolis, with the goal of increasing access to affordable housing available to low- and moderate-income residents and improving existing housing stock by helping to fund home repairs and upgrades.

Since an initial grant in 1988 that helped INHP get started, Lilly Endowment has been supporting INHP's mission with program and general operating funds on a regular basis.

In 2015 timing was right for a grant that would leverage INHP's collaborative approach to further strengthen efforts across Marion County. That's when the Endowment approved a \$26.6 million grant that INHP president and CEO Moira Carlstedt calls "transformational."

"From the beginning, we have worked to offer residents the skills and guidance they need to overcome the real and perceived barriers they face in becoming long-term successful homeowners. This grant is giving us the ability to expand what we do to the other side of the housing equation, which is 'place.' It's helping us address the negative forces that affect the supply of affordable housing and neighborhood quality of life," Carlstedt says. "We have new partners—employers who run nonprofit organizations that are vital to thriving neighborhoods, developers who want to help create affordable housing in places where mass transit is strengthening our city, and neighborhood groups and other organizations working to make Indianapolis a great place to live for all of its residents."

The grant has helped INHP develop affordable housing programs that are breaking new ground in Indianapolis. Two of them—the Anchor Housing Program and the Equitable Transit-Oriented Development (ETOD) loan fund—made significant strides in 2019 to provide more housing options to low- and moderate-income individuals and families.

## Anchor Housing Program

According to Joe Hanson, INHP's executive vice president of strategic initiatives, the Indy Chamber and INHP in 2016 began to collaborate on an opportunity for Indianapolis: help large nonprofit institutions—hospitals, universities and cultural organizations—embrace their roles as anchor institutions that can provide stability, leadership and other resources in their neighborhoods.

The chamber and INHP identified three arenas in which to collaborate. The first was housing—to support anchor institutions in helping their employees buy homes close to where they work. The second was purchasing—to improve anchor institutions' purchasing of products and services locally. The third was hiring—to encourage anchor institutions to identify, train and hire employees from their neighborhoods.

To help anchors with housing, the chamber turned to INHP. The result was the Anchor Housing Program, which prepares interested employees of anchor institutions for home ownership, then helps them with down payment assistance. Half of the money for these down payments come from INHP and half from a participating anchor institution. Mortgages INHP helps borrowers secure are below market rate. Furthermore, employees who already own their own homes are able to receive funding to make home improvements.

"Our mission is people- and place-based," says Hanson. "Our focus is on helping people get access to affordable housing. If we can help them live close to where they work, that's even better."



■ Jamila Fann and her family (opposite) became homeowners with support from INHP. ■ A vacant lot near 22nd and Illinois streets in Indianapolis (above) is part of INHP's work to develop affordable housing through its Equitable Transit-Oriented Development loan fund.



One of the institutions that was eager to take part in the Anchor Housing Program was Community Hospital East, which is a bedrock of the regional healthcare provider Community Health Network. The hospital is located on the eastside of Indianapolis, in an area where its presence and investments have sparked neighborhood revitalization in recent years. “We do a lot of outreach on the eastside,” says Joe Housh, Community’s director of human resources, “so the Anchor Institution Housing Program seemed like a natural fit.”

The relationship between INHP and Community began in earnest in 2017. To introduce the program to employees, Community hosted a series of INHP classes to help with everything from budgeting and improving credit scores to applying for a mortgage. This was especially useful to employees who came from families in which no one had owned a home.

“Generally, the down payment is the biggest issue for people buying their first home,” Housh says. “Through the Anchor Institution Housing Program, Community provides half and INHP provides half—it’s in the form of a loan that’s forgivable after five years.”

One Community employee who took advantage of the Anchor Housing Program was Linda Miller, a life skills clinician who bought her eastside home through the program. “To be able to be in a community that is rebuilding itself and growing means a lot to me,” Miller says in a promotional video the hospital created. The fact that Community helped her become a homeowner strengthened her bond with the hospital. “For me, it feels like I’m important to them and that they value their employees.”

Hanson credits the hospital’s strong leadership and entrepreneurial spirit for making the partnership with INHP work.

“They communicated well with their employees about the program,” Hanson says. “They made information about INHP and this program easily available.”

Though Jamila Fann, who works as a lead supervisor of community health advocates for Community, and her husband bought their home before the Anchor Housing Program was available, they used INHP’s services. Her success led her brother, brother-in-law, mother-in-law, and a friend to buy homes with similar guidance from INHP.

“The fact that I’m a first-generation homeowner has inspired other people,” says Fann, who now volunteers with INHP as a family ambassador.

By the end of 2019, nine Community employees had purchased homes through the program and three had repaired the homes they already owned in the neighborhood. The total investment provided to those 12 employees was \$229,000.

### Equitable Transit-Oriented Development Loan Fund

For low- and moderate-income individuals and families, a lack of reliable, efficient transportation can be an obstacle when looking for affordable housing. INHP looked around the country for how other cities were addressing the need to make housing more affordable. INHP liked what they learned in Denver, where city leaders in 2010 created one of the nation’s first loan funds to help develop affordable housing near transit lines. Through its fund, Denver achieved nearly 1,000 affordable housing units near transit during a five-year period. In 2018, INHP adapted the approach to Indianapolis to create the Equitable Transit-Oriented Development (ETOD) loan fund. INHP’s

lead partner in the effort is Cinnaire, a nonprofit community development financial organization based in Lansing, Michigan.

INHP used funds from the Endowment grant to establish the fund, then leveraged equity investments from the city and JPMorgan Chase to raise more than \$8 million in capital from seven local banks. Cinnaire administers the fund, with INHP as the only loan recipient. INHP uses loans from the fund to buy properties near transit lines for future affordable housing development.

According to Charlie Mercer, INHP's director of commercial and community lending, the value of property along or near major bus routes will continue to appreciate as the city improves its transit services. In 2019, Indianapolis realized the first major mass transit upgrade in a generation with the opening of IndyGo's Red Line. The rapid bus line runs 13 miles through the city, from the University of Indianapolis on the southside to just north of the Broad Ripple neighborhood. Two additional rapid bus lines are expected to be completed in the coming years. Buying property now and holding it for future development is the primary way to ensure affordable, multi-family housing will be available to the very people who most need access to public transportation.

"We look at transit lines as providing low- to moderate-income people with access to jobs, school, healthcare, grocery stores, pharmacies, the arts," says Rick Laber, Cinnaire's executive vice president of new ventures and product management. "That's access that people with higher incomes may take for granted."

By buying transit-proximate properties, INHP is creating what amounts to a land bank, Mercer says. "We're stepping in to preserve those locations. We're not actually developing them ourselves—we're just holding on to them until we find developers to do that."

Once INHP finds a site and gets it under contract, it applies to Cinnaire for funding to purchase it. "When they apply for a loan from the fund, we know they've already done everything they can to make sure it's a worthwhile site," says Zina Risk, Cinnaire's vice president of underwriting.



■ Jamila Fann and Joe Housh (opposite) work at Community Hospital East, which participates in INHP's Anchor Housing Program. ■ Top, from left: Michael Osborne of the Near Northside Development Corporation and Moira Carlstedt and Charlie Mercer of INHP. ■ Jamila Fann and her family (below, next page) are inspiring friends and coworkers to become INHP clients.



According to Risk, when INHP applies for a loan for a specific property, Cinnaire has the site appraised and makes sure the property is not in a flood zone or has any other problems that would affect its development.

Essentially, the ETOD fund is a line of credit for INHP, Laber says. Cinnaire loans INHP money from the fund to acquire the property, then INHP finds a developer willing to buy the property and build affordable housing on it. With the money it receives from the developer, INHP then pays off the ETOD loan, which makes the money available for future loans.

At the end of 2019, the ETOD fund had helped INHP buy six properties, with others pending. One property is near the intersection of Illinois and 22nd streets. It abuts a parcel to the north owned by the nonprofit Near North Development Corporation (NNDC). Having worked with NNDC in the past, INHP granted the organization an option to buy the land.

In turn, NNDC selected Real America Development as its partner to help develop the properties. Plans call for 60 apartments affordable to lower- and moderate-income individuals, with an additional 4,000 square feet of nonresidential space on 22nd Street that will include the building's management and maintenance facilities, as well as NNDC's office.

"By acquiring key parcels in up-and-coming areas, before land prices become prohibitively high, INHP can ensure affordable housing won't be left out of the discussion about redevelopment in those areas," says NNDC president Michael Osborne, who is also a former INHP board member. "INHP and the ETOD fund are critical. Their ownership not only provides control of the land, but it also provides community development organizations like NNDC with the time to put together plans, the complex financing, and the development partners to undertake affordable housing projects."

"What makes the ETOD fund work well is the fact that it was a well-thought-out plan" Laber says. "We really didn't know INHP at all until we started talking with them about establishing the fund in 2015. We've spent a lot of time with them since then, and we've come to have a lot of respect for them, as an organization and as people. They know what they're doing, they're committed to doing it well and to providing access to affordable housing to people who need it."

## Housing Challenges Continue

Though the Anchor Housing Program and ETOD fund help address affordable housing needs in Indianapolis, there remains a widening gap between availability and affordability.

"The people we serve are working families," Carlstedt says. "They generally earn between 50 and 80 percent of the median income for our region, which is \$36,000 to \$57,500 for a family of three. That means they can afford a home priced between \$75,000 and \$140,000. But the median home sales price in Marion County in June 2019 was \$165,000. As housing costs rise, it becomes more and more challenging to find a home in decent condition in an area where families want to live. It's a difficult problem to solve."

The solution lies in continuing to strengthen the partnerships that have helped INHP develop the Anchor Housing Program and the ETOD loan fund, according to Carlstedt. "The individuals and families we serve are our partners in strengthening our community and so are the neighborhood groups, employers, city agencies and financial institutions that believe in this work, too. We couldn't do it alone."

