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## **Campaign to reinvest in affordable housing continues: IHA breaks ground on new development at Lugar Tower**

INDIANAPOLIS (June 29, 2011) – As part of its expansive campaign to improve local affordable housing communities across the city, the Indianapolis Housing Agency today kicked-off a \$30 million project that will revitalize Lugar Tower and build a new mixed-income development at the tower's base.

IHA Executive Director Rufus “Bud” Myers was joined in the groundbreaking by a host of state, local and federal partners, including Indianapolis Congressman Andre Carson, City of Indianapolis Deputy Mayor Olgen Williams and Executive Director of the Indiana Housing and Community Development Authority (IHCDA) Sherry Seiwert.

Lugar Tower, a 15-story apartment building housing approximately 200 low-income elderly and disabled residents, has seen little investment since its construction in 1974. That will change with IHA's “Welcome Home” capital campaign, which invests \$15 million to substantially overhaul the tower. Improvements include refurbishing all 224 existing units, increasing ADA accessibility, renovating common areas (adding new computer labs and community kitchen space), and installing new, more energy-efficient lighting and plumbing.

The upgraded Lugar Tower will be joined by a newly constructed apartment building in its shadow. The new \$15 million development will be called “The Braxton at Lugar Tower” in honor of Robert Braxton, who served as one of Indianapolis' first African-American firemen. Braxton joined the Indianapolis Fire Department in 1876 and served as a foreman for Hose Company 9, which was located at 31 W. St. Joseph Street — near the current site of the new apartments.

The Braxton at Lugar Tower will feature 74 one- and two-bedroom units priced for residents with low and moderate incomes. It will include 3,500 square feet of new community space, offering amenities like a fitness room and business center that will be available to residents of both locations.

Completion date for both developments is slated for fall of 2012.

Combining the renovation of Lugar Tower with the new construction of The Braxton is consistent with the best practices of sustainable urban development, according to IHA's Bud Myers.

“Our top priority has and always will be to improve and increase affordable housing in Indianapolis,” said Myers. “But we also have a responsibility to carry out this mission in ways that enhance our city and breathe new life into our neighborhoods.

“By combining the massive improvements to Lugar with the new construction of The Braxton, we're creating a synergy on this site that will spur further development in the surrounding neighborhood and greatly improve the sense of community for our residents.”

Congressman Andre Carson lauded the 400 jobs that will be made available through the

redevelopment and new construction at Lugar, which is funded in part by federal dollars from the American Recovery and Reinvestment Act.

“Creating jobs is our highest priority, and this project puts hundreds back to work while addressing our desperate need for affordable housing downtown,” said Carson.

State officials praised the revitalization of Lugar for improving the quality of life for current residents and allowing them to remain within the community they’ve called home for years.

“The Indiana Housing and Community Development Authority continues to look for innovative ways to partner for the creation and rehabilitation of affordable housing units throughout Indiana,” said IHEDA Executive Director Sherry Seiwert. “Our ongoing partnership with the Indianapolis Housing Agency ensures that our goal and shared vision of this addition to Lugar Tower will enable residents of Indianapolis to remain and age in their community of choice.”

#### IHA’s innovative financing

IHA’s financing structure for Lugar Tower and The Braxton involves an innovative mix of private capital and federal grant dollars. By working through its non-profit development arm, Insight Development Corp., IHA was able to create a finance package that uses \$5.6 million in U.S. Department of Housing and Urban Development grants and other public dollars to leverage nearly \$24 million in private equity. The private equity is generated through low-income housing tax credits issued by the IHEDA. The tax credits were purchased by Hudson Housing Capital, and J.P. Morgan Chase provided IHA with the construction loan for both projects.

“With dwindling state and federal budgets, the Lugar and Braxton projects never would have happened through traditional public financing,” said Bruce R. Baird, managing director at Insight. “With this mixed-finance approach, we’re not only leveraging a great deal of private equity -- we’re building a model similar to a private sector developer.”

#### \$123 million investment in affordable housing

This mixed-finance approach by Insight is a unique strategy being implemented across all of IHA’s revitalization initiatives, including “Welcome Home” and “16 Park” (under construction on the near-northside). In total, IHA will invest \$123 million over the next two years to revitalize 1,324 public housing units, build more than 400 new public and affordable housing opportunities, and substantially improve the living space of more than 3,000 residents.

“With this landmark capital campaign, we’re not just upgrading our facilities — we’re transforming the public housing system in Indianapolis as we know it,” said Myers. “We’re establishing a foundation for greater success for decades to come — for our agency and for our residents.”

#### **About IHA**

*The Indianapolis Housing Agency is the official governing body overseeing all public housing across the City of Indianapolis. IHA helps more than 7,600 families each year find and maintain high-quality, affordable housing opportunities through its ownership of 13 housing communities totaling more than 1,700 units.*

#### **About Insight Development Corp.**

*Insight Development Corp. is the nonprofit development arm of the Indianapolis Housing Agency. Their experience securing mixed-source financing to support the development, rehabilitation and operation of public and affordable housing enables IHA to creatively address the housing needs of the Indianapolis community.*