



## City bans bulk land-bank sales after lopsided deal with not-for-profit

Cory Schouten November 3, 2012

Reggie Walton sat down at his desk on the 20th floor of the City-County Building a few days after he signed off on the deal, and the thought hit him.

*I just made someone a millionaire.*

The city had agreed in a little-noticed transaction in late 2011 to sell 154 vacant homes and apartment buildings in the Indy Land Bank for a total of just \$154,000—a fraction of their estimated \$2 million value at auction.

The properties went to a financially shaky not-for-profit group called Homeless & ReEntry Helpers Inc., which acted as a straw buyer for local investors who cherry-picked the properties from more than 6,000 tax-delinquent Marion County parcels.

The 4-year-old organization immediately flipped them to its investor partners at a markup of up to 800 percent. Homeless & ReEntry Helpers made more than \$500,000 on the deal, and investors who fixed up and quickly resold homes netted thousands apiece in profit.

There's little dispute except among the deal's beneficiaries that the city bungled the sale, leaving millions of dollars on the table by selling so many properties at once without competitive bids or appraisals. It was such an unusual transaction that both the Indy Land Bank and the Marion County Treasurer's Office—the agency ultimately responsible for selling tax-delinquent properties—now limit the scope of such deals with not-for-profits. And neither, at the moment, is selling to Homeless & ReEntry Helpers.



Source: IBJ research

The homes the city sold for \$1,000 each were not worthless: Records show at least 18 of them changed hands three times in less than a year, with proceeds from the most recent round of sales—mostly to out-of-state buyers using retirement accounts—totaling more than \$1 million for investors who bought from Homeless & ReEntry Helpers. And another 136 properties haven't yet flipped.

The 154 properties had a total 2011 assessed value of \$9.5 million.

Walton, who heads the land bank and whose name was on the deed documents transferring ownership to Homeless & ReEntry Helpers, said he was leery of the deal from the start.

"I wasn't a fan of the whole transaction, but I wasn't the signature on how it happened," said Walton, who noted city officials above his \$50,000-a-year pay grade, including former Department of Metropolitan Development Director Maury Plambeck, pushed the deal. "I can guarantee you won't see a distribution of property on that scale in this city again."

**Sense of desperation**

Walton was concerned about the large number of properties involved and how the transfer from a county-owned surplus list into the land bank circumvented normal procedure.

Typically, the land bank handles only the most derelict properties with serious code violations and safety concerns. It sells a few properties at a time, mostly to not-for-profits such as community development corporations or via sealed-bid auction to private investors.

Homeless & ReEntry Helpers also was suspect. Its executive director, Don E. Hawkins, has gone through two personal bankruptcies, spent time in jail for theft, and was homeless himself when he started the organization in 2008.



Hawkins

The not-for-profit hasn't filed required disclosures with the IRS since 2009, putting it in danger of losing its tax-exempt status. And the revenue from flipping properties might not even qualify as tax-exempt under federal law since it does not appear to directly tie to its charitable mission.

Another head-scratcher: The city sold homes to Homeless & ReEntry Helpers at a time established organizations such as Indiana Landmarks were struggling to acquire vacant properties from the city.

In retrospect, Walton chalks up the deal to a sense of desperation among officials eager to clean up blight, save on mowing and other maintenance expenses, and return vacant homes to productive use in bulk instead of tearing them down.

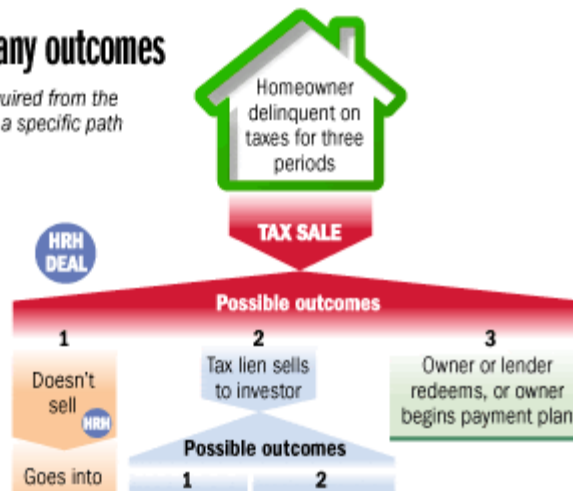
There also was a desire to help Homeless & ReEntry Helpers, whose first and only

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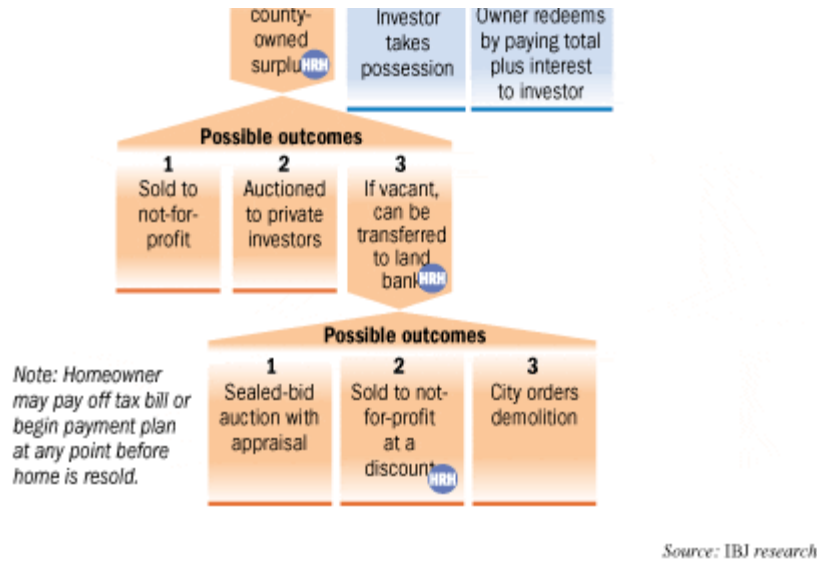
[Click here](#) for our interactive map with stats including sale prices, assessed values and overdue taxes for every property the Indy Land Bank sold to Homeless & ReEntry Helpers.

**One problem, many outcomes**

The 154 homes HRH acquired from the Indy Land Bank followed a specific path in the tax-sale process.



source of income was flipping the vacant tax-delinquent homes. The city accepted less than the normal not-for-profit price of \$2,500 per property because HRH had agreed to handle the work required to obtain clear titles.



A couple of the investors who were lined up to buy homes from Homeless & ReEntry Helpers—including Brad Davis, the former CEO of Davis Homes—had pledged collateral to support the deal since HRH was basically broke.

The worst-case scenario, city officials figured, would be the properties returning to city ownership if investors failed to fix them up within the allotted three-year span.

But Walton’s concerns proved prescient.

Homeless & ReEntry Helpers bounced a \$30,000 check at closing, and complaints poured into the city from HRH investors who felt they had been misled. The not-for-profit struggled to corral its investors, who Walton said had finished about half the homes a year after the city closed on the deal.

The city may have squandered an opportunity to off-load some of its most troubled vacant properties by packaging them with the more promising properties that went to Homeless & ReEntry Helpers, noted Bill Taft, executive director of the Local Initiatives Support Corp.’s Indianapolis office.

“It makes sense for an entity to take a mixed bag to subsidize the ones no one would pay anything for,” said Taft, whose organization backs community development. “When that’s not the case, it gets a little strange.”

**‘A beautiful partnership’**

The land bank deal was a coup for Homeless & ReEntry Helpers, founded in 2008 by Hawkins, a 66-year-old Vietnam veteran who has advised Mayor Greg Ballard on issues involving veterans and ex-offenders.

Hawkins said in an interview that his group netted more than \$500,000, after closing costs, by selling the properties to investors for as much as \$8,500 each.

It wasn’t the only lucrative property deal HRH closed last year. The group bought another 41 vacant properties directly from the Marion County Treasurer, paying \$1,400 apiece. Selling those to investors brought in another \$140,000.

There’s no evidence to suggest Hawkins is spending the money on anything other than his stated mission: feeding homeless folks six nights a week and providing social-service referrals to ex-offenders and veterans. He has four full-time employees and another 20 or so part-timers rehabbing some of the land bank homes.

Hawkins says his organization is helping short-staffed and underfunded government agencies by recruiting and overseeing investors who return troublesome properties to the tax rolls. Deeds aren't released until improvements are complete.

"It's the only way I've got to fund this thing," Hawkins said of his fledgling not-for-profit. "To me, it's a beautiful partnership."

Taxpayers might have a different perspective.

Local rental property investor Aaron Adams, who bought 40 of the land bank properties from Hawkins' group, said the city could have sold all 154 for an average of \$12,000 to \$13,000 apiece at auction.

His high-end estimate of \$2 million is more than four times the land bank's 2012 budget of \$450,000, which is supported in part by federal grants.

The estimate may even be low since Homeless & ReEntry Helpers' investors hand-picked their houses, suggesting they were among the properties with the most potential and lowest downside.

Even if they were simply average



Volunteers serve dinner to homeless people at the Homeless & ReEntry Helpers campus on the edge of downtown at East Michigan and Pine streets. (IBJ photo/Perry Reichanadter)



### 4053 N. Arlington Ave.

- Sold at least three times since Homeless & ReEntry Helpers bought the four-bedroom, two-bath home from the city last year.
- Initial owners were Davis Asset Management (led by investor and Salvation Army board member Philip Davis), which paid \$2,500; and PGL Properties (led by real estate broker Paul Levin), which paid \$10,000.
- Local investor Jude Onyia purchased the property in May; no sale price was disclosed, but an expired listing includes an "as-is" asking price of \$26,500.
- Tax records show a homestead exemption on the \$72,100-assessed property, though Onyia lists a different home address.
- Onyia owns several rental properties with homestead exemptions, according to property records, even though state law permits only one homestead at a time.



### 3359 Carrollton Ave.

- The 1925 apartment building at 34th Street and Carrollton Avenue remains on the books of HRH, which also bought the vacant apartment building next door at 807 E. 34th St.
- Together, the properties have an assessed value of just under \$300,000 and total unpaid tax bills of \$50,637.
- HRH Executive Director Don Hawkins said he doesn't release deeds to investors until properties have been renovated to exceed federal affordable...

properties among the city's vacant housing stock, recent sales results suggest the government could have collected more than five times as much by selling them at auction.

The county held two auctions of tax-delinquent properties this year, unloading about 600 for a total of \$3 million, or about \$5,000 per property. Land bank properties sold to the general public typically go for \$4,000 to \$8,000.

Walton declined to say whether anyone in particular pushed for the Homeless & ReEntry Helpers deal, though he acknowledged Plambeck was the person who had to be "most comfortable" with it.

Plambeck, who stepped down in September to manage infrastructure investments under the RebuildIndy program, declined through a department spokesman to discuss the deal.

Plambeck believed Hawkins had the support of Ballard, according to people familiar with the deal who spoke on condition of anonymity. It wasn't clear whether Ballard gave his explicit support to the sale before its approval by the Metropolitan Development Commission. The mayor also declined to discuss the transaction.

One advantage of selling vacant properties to not-for-profit groups is a deed restriction that requires homes be fixed up within three years. But the city could add a similar condition to auction sales, Adams said, and use the additional revenue to cover the expense of disposing of the properties.

Adams, who hosts a real estate "tips and tricks" show on WXNT-AM 1430, said it's "ridiculous" for the city to sell properties to not-for-profits.

"I think it should be an open auction," he said. "It's the most efficient way for these properties to be sold."

At a minimum, the city needs to force charitable groups to take bad properties with good ones and ensure they're not acting as a pawn for private investors, argued David Sexauer, founder of locally based Revisio Housing Inc., a 3-year-old not-for-profit that has acquired and fixed up about 60 vacant homes.

Sexauer has been pitching city officials on the idea of transferring vacant properties into a not-for-profit organization that would keep the properties, fix them up, and rent them out to generate an income stream to fund charity work.


He sees the Homeless & ReEntry Helpers deal as a failure for the city because it put so much money in the pockets of flippers while inflating a potential new housing bubble fueled by the retirement accounts of out-of-state investors.

### **Pleading his case**

There's no question the city has a big problem with vacant homes. By some estimates, there are more than 10,000 such properties in Marion County—about 3 percent of the county's total housing inventory.

The Indy Land Bank has 1,200 parcels in its inventory—roughly 500 homes and 700 lots, Walton said.

renovated to exceed federal affordable housing standards.



**1701 Perkins Ave.**

- Sold in February for \$77,500 to Martin Greenridge of Henderson, Nev., who now holds the property in his IRA as a rental.
- Local investor Aaron Adams bought the three-bedroom, one-bath home for \$7,500 in November 2011.
- The southeast-side house, built in 1963, has an assessed value of \$45,000.

More than 6,000 properties—most of them likely vacant—have gone through multiple tax sales without attracting bids and now fall in the category of county-owned surplus, said Marion County Treasurer Claudia Fuentes.

Another 3,700 parcels were eligible for this year’s tax sale, meaning the owners are at least three taxing periods behind. (A new payment-plan option authorized by the Legislature should keep some of those owners in their homes.)

To Hawkins, the solution is simple.

“The only way the city is going to get rid of a lot of these properties is to get the private sector involved,” he said.

And the best way he sees to do that is by using Homeless & ReEntry Helpers and its investor partners, who Hawkins said are lining up to buy more properties.

His model for buying and flipping properties was novel when he launched it last year.

Usually, for-profit investors interested in a county-owned house must ask the treasurer to include it in an upcoming auction, where they run the risk of losing out to a higher bid. Investors who want a property from

the city’s land bank must compete in a sealed-bid auction and meet a minimum bid set by an appraisal.

But state law allows not-for-profits to purchase county-owned properties without an auction. The law was designed for community development corporations, though other tax-exempt groups including churches also have bought properties.

Homeless & ReEntry Helpers was the first to take advantage of the loophole on such a large scale, but a few copycats have tried to cash in.

Bob Nice, a veteran Indianapolis real estate attorney and investor, said he had several property investors approach him late last year about setting up not-for-profits so they could acquire tax-delinquent homes with ease. He declined to help them, concerned the purported charitable goals might not hold up to IRS scrutiny.

The city requires not-for-profit buyers sign an eight-page purchase agreement that gives them three years to fix up a property or surrender it to the city. CDCs, traditionally the largest buyers, own hundreds of properties and often take advantage of the full three-year term.

## Blight by the numbers

**9,000** estimated vacant homes in Marion County

**6,000** homes delinquent and not redeemed at tax sale

**3,700** homes eligible for upcoming tax sale

**700** vacant lots in land bank

**500** vacant homes in land bank

Source: IBJ research

Homeless & ReEntry Helpers gave its investors just one year before taking properties back and looking for other investors to finish the work, Hawkins said. The organization keeps titles until houses meet federal low-income housing standards.

### Buyer beware

Several of the properties Homeless & ReEntry Helpers acquired and flipped have been sold again, in most cases to out-of-state investors.

The most prolific seller to date has been Adams, who bought 40 homes and has resold at least 10 of them, mostly through a

company called Lawrencia LLC. (Lawrencia principal Cleve Brown is a partner with Adams in locally based Alpine Property Management.)

Adams bought the properties from Homeless & ReEntry Helpers in November 2011, paying \$7,500 apiece, records show. He began selling them in February, collecting prices ranging from \$63,500 to \$81,500.

In each case, the sale price exceeded the assessed value.

Tennessee resident Phyllis Craighead, who owns a day care center, used assets from her individual retirement account to buy the three-bedroom, one-bathroom 1960s house at 1837 Albany St., sight unseen. She paid \$71,500.

The deal was the culmination of her participation in a real estate investing program offered by Armando Montelongo, the former host of the A&E reality show “Flip This House.” Craighead traveled to Los Angeles, Las Vegas and Indianapolis for courses on various real estate investing tactics.

She recalls selecting the Albany Street house from a series of fliers touting available properties in November 2011, the same month Adams bought the property from Homeless & ReEntry Helpers. When she asked about comparable sales for the area, she was told there were none, she said.

It took more than three months for the deal to close, so Alpine—which manages the property for a fee of 10 percent of the rent—agreed to cover some of the closing costs to compensate for lost rental income, Craighead said.

She was told the house already had tenants. (It wasn’t clear when they moved in; Indy Land Bank as a matter of policy can only acquire or sell vacant properties.)

But a few months later, the tenants stopped paying rent and had to be evicted.

Alpine sent her bills for \$1,000 to paint and clean the house to prepare for new tenants, \$400 to replace a stolen stove and refrigerator, and more than \$400 to repair a gas line, she said.

New tenants have moved in, Craighead said, but she’s still underwater on expenses versus income. The property flier suggested she would bring in more than \$500 per month on the property, which rents for about \$700.

“I’m of course not happy, but it might just have been ignorance on my part,” she said. “They’ve assured me this is unusual.”

In an interview, Adams said he made a lot less money on the deals than property records indicate.

The recorded transactions don’t reflect payments he made to Davis, the former Davis Homes CEO who was a silent partner in the deals. Davis paid Hawkins directly for homes, and Adams would return his



principal plus a profit after reselling them. Neither would divulge specific amounts.

Adams said he also had to pay undisclosed fees to a real estate seminar company and a California marketing firm to pitch his properties to enthusiastic out-of-state investors. All told, he said, his basis on each property was about \$20,000, before the cost of renovations.

Adams said he made \$8,000 to \$10,000 in profit on each property, which he considers a reasonable sum based on the estimated 10 percent or higher annual returns his investors stand to earn from owning the rental properties.

### Admitting mistakes

Chad Lethig, the Indianapolis Preservation Coordinator for Indiana Landmarks, did a double take when he heard about the bulk sale to Homeless & ReEntry Helpers at a Metropolitan Development Commission meeting last year.

His own more-established organization was having trouble getting control of abandoned historic properties for which it had lined up investors to rehabilitate. It eventually secured about 10 but would have bought several more.

Lethig said it seemed “curious” that another organization could acquire so many properties at a time Indiana Landmarks was giving its investors bad news.

Indiana Landmarks, a statewide organization with almost 40 employees, typically juggles only 10 to 15 properties at a time so it can keep pace with upkeep and insurance as it recruits investors willing to take on historically accurate rehab projects, Lethig said.

“We were trying to move properties most people wouldn’t touch on a good day and get them into people’s hands for a turnaround,” Lethig said. “I thought, ‘Damn, that’s a lot of properties for one organization to take on, especially a relatively new nonprofit.’”


His instincts were on target. Walton said Homeless & ReEntry Helpers bounced one of several checks it brought to closing, blaming an accounting error. Some investors complained to the city that HRH backed out of deals to sell them properties and refused to refund earnest money. A number of properties had occupants already.

Hawkins admits HRH made mistakes. The organization didn’t have the staff or expertise to keep up with inspections and oversight for so many houses. He also said an early partner betrayed his trust, but he refused to elaborate.

He hired residential investors Judith Wray and Donna Prince, who own JDG Indiprop LLC, to oversee HRH’s investors. He’s paying them \$500 per week while the program is on hold, though they plan to “participate” in some future deals and will be paid more if the program starts up again.

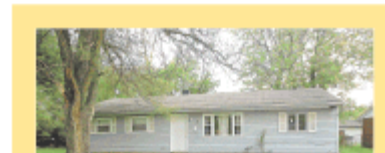
HRH has taken back at least 10 properties where investors failed to make progress, and 10 more are under “heavy threat.”

“We’ve all been learning as we go,” Hawkins said. “We got too big too fast, and we didn’t keep tight enough of a rein on investors.”



**2909 Wheeler St.**

- Sold for \$66,500 in March to Charles Robinson of Duarte, Calif.
- Investor Doug Dale bought the property for \$6,000 two days after HRH acquired it from the city.
- Built in 1980, the two-bedroom, one-bath home near 30th and Rural streets has an assessed value of \$49,900.





Hawkins said HRH can now handle 75 to 100 properties per month, but they need at least 10 per month to keep the organization going at an “austerity level.”

He’s pleading his case to the Marion County Board of Commissioners, which has tightened its policies for selling surplus properties to not-for-profits after halting the sales in November 2011, two months after the HRH deal closed.

“A lot of nonprofits were asking for a large number of properties at one time,” explained Fuentes, who took over as treasurer after the freeze took effect. “We needed to take a closer look and see whether they were living up to their promises.”

Some of what commissioners found was particularly troubling: They had sold surplus properties to a foundation run by two women who the Marion County Prosecutor now alleges sold several vacant homes it did not control.

The more common concern was capacity—determining how many homes an organization could handle at once. The county has begun selling vacant homes to not-for-profits again, Fuentes said, but the organizations can take only five properties at a time.

Hawkins claims he can handle more. His case hinges on experience. He said HRH and its partners have invested more than \$2 million to return 200 properties (from both land bank and county surplus) to the tax rolls.

In a letter to the commissioners, Hawkins warned that a couple of new “so-called nonprofits” are trying to replicate his model. He also said commissioners shouldn’t allow HRH’s current investors to buy directly from the county treasurer.


Hawkins won’t get another look from the land bank until he works through the initial round of 154 properties, Walton said. The city’s tracking shows about 80 of them have been fixed up and are back on the tax rolls.

The land bank still allows not-for-profits to flip properties to investors, but the city now requires organizations to disclose investors’ identities and intentions. The idea is to ensure the homes wind up in the hands of investors with a good track record of cleaning up and maintaining their properties, Walton said.

“At the end of the day, for us, it’s about redevelopment and getting them back on the tax rolls,” he said. “These were delinquent, derelict, in some cases unsafe, structures. All we care about is the end result.”


**No easy solutions**

About 20 percent of the homes the land bank sold to Homeless & ReEntry Helpers had been destined for demolition, Walton figures.




**4007 Cass Court**

- Sold for \$42,000 to Westfield City Councilor James Ake on Jan. 24—the same day HRH transferred ownership to investor Chad Handley, who paid \$8,500.
- Built in 1963, the three-bedroom, one-bath home just south of Lawrence has an assessed value of \$58,300.



**3926 Graceland Ave.**

- HRH sold it in August to Starlight Housing Portfolio (led by investor Chad Handley); no sales disclosure filed.
- Available for rent at \$750 a month; rental listing touts new paint, carpet and light fixtures and a dubious claim that the home is in South Broad Ripple. (It sits a few blocks from 38th Street and Capitol Avenue.)
- Records show the previous owner-occupant owed \$17,543 in unpaid taxes, not including interest and fees; her tax bill climbed from \$798 in 2000 to \$2,638 in 2006.
- The two-bedroom, one-bath home has an assessed value of \$86,600.



**334 E. 30th St.**

- The turn-of-the-century duplex remains a vacant mess more than a year after HRH bought it from the city.
- The property between New Jersey Street and Washington Boulevard has an assessed value of \$109,700.

The city has deemed thousands of vacant properties as unsalvageable neighborhood nuisances—based on recommendations from Health & Hospital Corp. and the Department of Code Enforcement—and has begun tearing them down. The city so far has demolished about 1,700.

The idea of demolishing homes is maddening to investors like Adams, who says he has out-of-state investors eager to buy urban rental properties.

One way to improve the process could be through a not-for-profit land bank free of government bureaucracy. Officials with the city and the Central Indiana Community Foundation are working to establish one, following the lead of a new operation in Cleveland.

That sounds like a good idea to Taft, of the Local Initiatives Support Corp., who says the model would allow the organization to raise money from charitable sources and by selling the best-conditioned vacant properties, using the proceeds to help save some of the worst.

“Clearly, we need a way to more proactively manage that inventory of land bank properties and actually take in more and get them out in a way that’s more strategic,” Taft said. “The problem is, [with a small staff] it’s difficult to analyze which are desirable and which are the dogs.”

Nice, the real estate attorney, has two ideas. The first scenario: The city petitions a judge to appoint receivers to oversee the turnaround of vacant and abandoned properties, ensuring maximum return for the city.

Another option is to hire someone who “knows what they’re doing” to handle disposition of vacant properties, Nice said.

“There are plenty of real estate brokers looking for jobs—people who understand the market and investors’ mentality,” he said. “Most nonprofits have no business flipping properties. The city should acquire some expertise and probably could do it for \$100,000 per year.”

## **Help wanted**

Since neither the land bank nor the Marion County Treasurer is set up to handle such a heavy volume of vacant property dispositions, assistance from supervised not-for-profits is a smart move to keep the process moving, argued Doug Dale, whose locally based Fortune Property Group was the largest buyer of homes from Homeless & ReEntry Helpers.

Dale bought 90 units for \$6,000 apiece and figures he’s spending an average of \$25,000 to \$30,000 each to get them into shape for renters.

Fellow local investor Brad Andrews said he spent about \$20,000 each to rehab the 15 or so HRH properties he and his partners bought. That’s a higher investment in mechanicals, carpet, paint, windows and plumbing than properties he buys from other sources, including the multiple listing services.

Investors say with those costs, properties purchased through HRH wound up costing about as much as they would pay through the county directly. The advantage was inventory.

“The city needs multiple options to handle the problem,” Dale said. “I think Don’s motives are honest and pure. He legitimately makes sure it’s a rehab. I think it’s a good way to move properties; otherwise, we have a lot of properties not doing anything and not generating taxes.”

Chad Handley, a former executive at The Estridge Cos. who partnered with another firm to buy about 10 of the HRH homes, said he’s finished all of his properties, including the three-bedroom, one-bathroom

house at 4007 Cass Court, near 38th Street and Post Road, that he sold to Westfield City Councilor James Ake.

Ake paid \$42,000 for the home, which rents for \$750 per month. It's one of four he purchased through Handley.

"It's much better than demolition or letting them sit vacant," Ake said of the city's deal with Homeless & ReEntry Helpers. "I think it serves a good purpose and everybody wins."

### **More money, more charity**

Homeless & ReEntry Helpers operates out of three aging industrial buildings in a 5.5-acre compound along East Michigan Street just northeast of downtown.

Most of the buildings are in some stage of remodel. Hawkins has outfitted the campus with a kitchen and large dining area, where volunteers serve as many as 700 hot meals a week. A large room is piled with donated clothing. Another building has office space for four referral case managers who meet with homeless people and ex-offenders seeking services.

"I had no intentions of feeding people; it just kind of happened," said Hawkins, who added that he sought income from properties as he began to understand the scope of the homeless problem. "As we get money, we do more work."

He said he came up with the idea of buying vacant homes and approached investors Brad Davis and Doug Dale for financing. Hawkins said his goal was to hold the properties, but the investors were only interested in flipping.

Davis, who acquired about 25 homes from Hawkins, said he pledged assets to help him qualify for the purchases.

"This was a good way to put a lot of houses back into service," Davis said. "The end result is houses are rehabbed and put back on the property tax rolls."

Hawkins can relate to the veterans, ex-offenders and homeless people he serves. He served a few months in prison for theft after a tanning bed importer he ran went belly-up in the late 1980s; he also was accused of theft in 2002 by the motorcycle organization Abate of Indiana Inc.

He twice has filed for personal bankruptcy, most recently in 2006, and Hawkins said he eventually lost his home in Fishers and 12 rental properties he had over-extended to buy.

Hawkins was homeless when he moved into what is now the Homeless & ReEntry Helpers campus in 2008, with permission from property owner Jim Henke but initially without paying rent.

He now pays about \$4,500 per month, which counts as a credit toward an eventual purchase of the property.

Hawkins said he doesn't take a salary. HRH gives him a place to live, meals and gas money to fill the tank in his 2006 Chrysler Town and Country minivan.

For two years, Hawkins slept on a couch in his office. Now he's building an apartment upstairs.

"I don't have a high lifestyle," he said. "It doesn't take much to make me happy. Me and my group are very dedicated to what we do."

Spend a few minutes talking to Hawkins, and it's difficult to doubt his sincerity. But there's no question he's in over his head on the details.

His organization hasn't filed the required disclosure form with the IRS since 2009, a year after he created HRH. That filing shows no revenue and no assets.

Hawkins said in August that the organization was finalizing its financials after he finally got around to buying a copy of QuickBooks. In mid-October, he said the filing would be finished in two more weeks. It was not complete by *IBJ's* Nov. 1 deadline.

Hawkins said he's behind on paperwork after suffering an aortic aneurysm in May. Now that's he's back to work, catching up on IRS filings isn't the only thing on his to-do list.

The man listed first on HRH's board on its website and in IRS filings—Gregg Keesling, president of Workforce Inc., which provides jobs to ex-offenders—said he never accepted an invitation to join the board.

The reason: He hasn't seen financials or proof the organization secured insurance for directors and officers.

Keesling said he'd heard about Hawkins' plans to fund the operation by buying and refurbishing homes—an idea that “seemed too good to be true.”

“Don's a good guy with a good heart,” Keesling said. “He wants to do the right thing. It's just a matter of getting him the best advice.”•

[Add Comment](#)

Reggie Walton

**is a pure bureacrat.** *November 3, 2012 12:38 PM*

"I just shoveled the sh\*t off my desk because my betters told me what to do." Wow. And this guy is running the City's Land Bank? What credentials did Reggie Walton bring to that position? Oh - wait - he's Olgen Williams' son's best buddy. I guess it pays to know people...when you don't know your trade. And trying to throw Maury and the Mayor under the bus is a great display of his shovel-it-onto-somebody-else bureaucrat style. This whole land bank debacle is actually *\*another\** Olgen Williams mess. (How's that Office of Ex-Offender Re-entry doing?) If we had someone competent running the Indy Land Bank instead of Reggie this would certainly have gotten the proper scrutiny before it happened. It's possible that Olgen is the brain trust behind the whole deal to HRH as well. Why is he Deputy Mayor for Neighborhoods again? Holy cows I can't believe that guy still collects a City paycheck. The City definitely needs to get abandoned/vacant/surplus property management and disposition under control. These Land Banking services are too important to neighborhoods to relegate to a City office, with the attendant politics and political appointments. We've seen how this is working - let's try something new.

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