

**ECONOMIC DEVELOPMENT COMMISSION
OF THE CITY OF HOBART, INDIANA**

Resolution Number 2019-01

**A Resolution of the Economic Development Commission of the City of Hobart, Indiana
Approving and Authorizing Certain Actions and Proceedings with
Respect to Certain Proposed Multifamily Housing Revenue Bonds
for A Safe Haven Veterans Apartments**

WHEREAS, Indiana Code 36-7-11.9 and 12 (collectively, the “Act”) declares that the financing and refinancing of economic development facilities constitutes a public purpose; and

WHEREAS, pursuant to the Act, the City of Hobart, Indiana (the “City”) is authorized to issue revenue bonds for the purpose of financing, reimbursing or refinancing the costs of acquisition, construction, installation and equipping of economic development facilities in order to foster diversification of economic development and creation or retention of opportunities for gainful employment in or near the City; and

WHEREAS, a representative of A Safe Haven Veterans Apartments LP, an Indiana limited partnership (the “Borrower”), has advised the Hobart Economic Development Commission (the “Commission”) and the City that it proposes that the City lend proceeds of an economic development financing to the Borrower to provide a portion of the funds for the acquisition, design, construction, improvement and/or equipping of the affordable multifamily housing facilities to be located in the City of Hobart, Indiana at 7930 Iowa Street consisting of approximately 75 living units and certain functionally-related improvements (the “Development”), which are intended to be utilized in connection with the HUD-Veterans Affairs Supportive Housing program (“HUD-VASH”) to be owned by Borrower; and

WHEREAS, the Borrower has advised the Commission and the City concerning the Development, and has requested that the City issue, pursuant to the Act, one or more series of its taxable or tax-exempt Multifamily Housing Revenue Bonds, Series 2019 (with such further or different series designation as may be necessary, desirable or appropriate, including such series designation to indicate the year in which the bonds are issued and the Development) (A Safe Haven Veterans Apartments) (the “Bonds”), in an aggregate principal amount not to exceed Seven Million One Hundred Thousand Dollars (\$7,100,000), for the purpose of providing funds for paying a portion of the costs of the Development including but not limited to paying all incidental expenses incurred on account of the issuance of the Bonds; and

WHEREAS, the Commission has studied the Development and the proposed financing of the Development and its effects on the health and general welfare of the City and its citizens; and

WHEREAS, the Commission has rendered its report (the “EDC Report”) concerning the proposed financing for the Borrower and the Plan Commission has been given the opportunity to comment thereon; and

WHEREAS, the creation or retention of opportunities for gainful employment and the provision of quality, affordable, multifamily housing to be achieved by the acquisition,

construction and equipping of the Development will be of public benefit to the health, safety and general welfare of the City and its citizens; and

WHEREAS, it would appear that the financing of the Development would be of benefit to the health or general welfare of the City and its citizens; and

WHEREAS, pursuant to and in accordance with the Act, the City desires to provide funds to finance a portion of the Development by issuing not to exceed \$7,100,000 aggregate principal amount of the Bonds in one or more series with such further or different series designation as may be necessary, desirable or appropriate, including such series designation to indicate the year in which the bonds are issued (the "Bonds"); and

WHEREAS, the Act provides that such revenue bonds may be secured by and issued pursuant to the terms of a trust indenture between the City and a corporate trustee; and

WHEREAS, the City intends to issue the Bonds pursuant to a trust indenture (the "Indenture"), by and between the City and The Huntington National Bank, as trustee (the "Trustee") in order to obtain funds to lend to the Borrower for the purpose of the acquisition, design, construction, improvement and/or equipping the Development pursuant to a loan agreement with respect to the Bonds (the "Loan Agreement") by and between the City and the Borrower; and

WHEREAS, the Loan Agreement provides for the repayment by the Borrower of the loan of the proceeds of the Bonds pursuant to which the Borrower will agree to make payments sufficient to pay the principal and interest on the Bonds as the same become due and payable and to pay administrative expenses in connection with the Bonds; and

WHEREAS, pursuant to Indiana Code 36-7-12-24, as amended, and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Commission published notice of a public hearing (the "Public Hearing") on the proposed issuance of the Bonds to finance all or a portion of the Development and has on this date prior to adoption of this resolution held the Public Hearing for the purpose of receiving evidence and testimony on the Development and matters related to the proposed financing thereof and heard all persons interested in the proceedings and considered written remonstrances and objections, if any; and

WHEREAS, no member of the Commission has any pecuniary interest in any employment, financing agreement or other contract made under the provisions of the Act and related to the Bonds authorized herein, which pecuniary interest has not been fully disclosed to the Commission and no such member has voted on any such matter, all in accordance with the provisions of Indiana Code 36-7-12-16.

WHEREAS, there have been submitted to the Commission for its approval substantially final forms of the Indenture, Loan Agreement, Regulatory Agreement and Declaration of Restrictive Covenants among the City, the Trustee and the Borrower, the form of the Bonds (hereinafter referred to collectively as the "Financing Documents"), and the proposed form of the Ordinance which are by this reference incorporated herein.

THEREFORE, BE IT RESOLVED by the Economic Development Commission of the City of Hobart, Indiana that:

SECTION 1. After considering the evidence presented at the Public Hearing and findings of fact set forth in the EDC Report, this Commission hereby finds, determines, ratifies and confirms that the financing of the economic development facilities referred to in the Financing Documents consisting of the Development , the issuance and sale of the Bonds, and the use of the net proceeds thereof by the Borrower to finance all or a portion of the Development will: (i) promote a substantial likelihood of the diversification of industry, the creation or retention of business opportunities, the creation or retention of opportunities for gainful employment and the provision of quality, affordable, multifamily rental housing within the jurisdiction of the City; (ii) serve a public purpose, and will be of benefit to the health and general welfare of the City; (iii) comply with the purposes and provisions of the Act and it is in the public interest that the City take such lawful action as determined to be necessary or desirable to encourage the diversification of industry, the creation or retention of business opportunities, and the creation or retention of opportunities for gainful employment and the provision of quality, affordable, multifamily rental housing within the jurisdiction of the City.

SECTION 2. This Commission hereby approves (i) the Financing Documents in the form presented at this meeting, and (ii) the form of the Ordinance authorizing the issuance of the Bonds and providing for the terms thereof. The forms of the Financing Documents and the Ordinance presented herewith are hereby approved, with any and all such changes as may be deemed necessary, desirable or appropriate by the Mayor (the "Mayor") and the Clerk-Treasurer of the City (the "Clerk-Treasurer"). In compliance with Indiana Code Title 36, Article 1, Chapter 5, Section 4, two (2) copies of the Financing Documents will be placed on file in the office of the Clerk-Treasurer for public inspection prior to adoption of the Ordinance by the Common Council of the City (the "Council").

SECTION 3. This Commission hereby approves and recommends that the City issue the Bonds, in one or more series, with a maximum aggregate principal amount not to exceed Seven Million One Hundred Thousand Dollars (\$7,100,000), with a maximum term not to exceed forty (40) years and with a maximum interest rate not to exceed ten percent (10.0%) per annum, for the purpose of procuring funds to pay all or a portion of the costs of the Development by making a portion of the proceeds of such Bonds available as set forth in the Financing Documents and pay all incidental expenses incurred on account of the issuance of the Bonds. The Bonds shall be sold to the purchasers thereof at a price not less than 97% of the aggregate principal amount thereof plus accrued interest, if any. The Bonds shall be payable as to principal and interest upon such terms and conditions as otherwise provided in the Financing Documents and the Ordinance. The Bonds may be subject to mandatory tender or optional redemption at one or more times prior to maturity. The Bonds shall never constitute a general obligation of, moral obligation of, an indebtedness of, or charge against the general credit of the City or a pledge of the full faith or credit of the City within the purview of any constitutional or statutory limitation or provision.

SECTION 4. This Commission recommends that the Mayor and Clerk-Treasurer be authorized and directed to execute those Financing Documents approved herein which require the signature of the Mayor and Clerk-Treasurer and any other document which may be necessary or desirable to consummate the transaction, and their execution is hereby confirmed on behalf of

the City. The signatures of the Mayor and the Clerk-Treasurer on the Bonds may be facsimile signatures. This Commission also recommends that the Clerk-Treasurer be authorized to arrange for the delivery of such Bonds to the purchaser, payment for which will be made in the manner set forth in the Financing Documents. The Mayor and Clerk-Treasurer may, by their execution of the Financing Documents requiring their signatures and imprinting of their facsimile signatures thereon, approve changes therein and also in those Financing Documents which do not require the signature of the Mayor and/or Clerk-Treasurer without further approval of the Council or the Commission if such changes do not affect terms set forth in Section 27(a)(1) through (a)(10) of the Act.

SECTION 5. If necessary or desirable, a Preliminary Official Statement of the City relating to the Bonds (the "Preliminary Official Statement"), in a form acceptable to the Mayor, is hereby (a) authorized and approved, together with such changes in form and substance as may be deemed necessary or appropriate by the Mayor, (b) authorized and approved, as the same may be appropriately confirmed, modified and amended pursuant hereto, for distribution as the Preliminary Official Statement of the City, (c) authorized to be deemed and determined by the Mayor on behalf of the City, as of its date, to constitute the "final" official statement of the City with respect to the Bonds to be offered thereby, subject to completion as permitted by and otherwise pursuant to the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule"), and (d) authorized and approved, consistent with the provisions of any Purchase Agreement and the SEC Rule, to be placed into final form and distributed and delivered to purchasers and potential purchasers of the Bonds offered thereby as the final official statement of the City, as of the date thereof, with respect to the Bonds (the "Official Statement").

SECTION 6. Subject to the obligations of the Borrower set forth in the respective Financing Documents and/or the certificates or agreements of such Borrower to be executed upon the issuance of the Bonds, if any of the Bonds are issued on a tax-exempt basis for purposes of federal income taxation, the City will use its best efforts to restrict the use of the proceeds of the Bonds in such a manner and to expectations at the time the Bonds are delivered to the purchasers thereof, so that they will not constitute "arbitrage bonds" under Section 148 of the Code and the regulations promulgated thereunder, or to preserve any other desired tax status under the Code. The Mayor, and the Clerk-Treasurer, or any other officer having responsibility with respect to the issuance of the Bonds, are authorized and directed, alone or in conjunction with any of the foregoing, or with any other officer, employee, consultant or agent of the City, to deliver a certificate for inclusion in the transcript of proceedings for the Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the Bond proceeds as of the date of issuance thereof.

SECTION 7. A bond purchase agreement, in form and substance acceptable to the Mayor and the Clerk-Treasurer (the "Purchase Agreement"), is hereby authorized and approved, and the Mayor and the Clerk-Treasurer are hereby authorized and directed to execute and deliver the Purchase Agreement in form and substance acceptable to them and consistent with the terms and conditions set forth in the Ordinance, with such to be conclusively evidenced by their execution thereof.

SECTION 8. This Commission approves the form of the Ordinance presented at this meeting and recommends the adoption of the Ordinance by the Council. The provisions of such

Ordinance, if and when adopted, and the Financing Documents shall constitute a contract binding between the City and the holder or holders of the Bonds and after the issuance of said Bonds, the Ordinance shall not be repealed or amended, in any respect which would adversely affect the right of such holder or holders so long as said Bonds or the interest thereon remains unpaid.

SECTION 9. Any officer of this Commission is hereby authorized and directed, in the name and on behalf of this Commission, to execute any and all other agreements, documents and instruments, perform any and all acts, approve any and all matters, and do any and all other things deemed by such person to be necessary or desirable in order to carry out and comply with the intent, conditions and purposes of this resolution (including the preambles hereto and the documents mentioned herein), the Development the issuance and sale of the Bonds and any such execution, performance, approval or doing of other things heretofore effected be, and hereby is, ratified and approved.

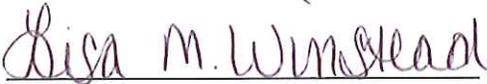
SECTION 10. This Commission finds and determines that the amount of tax credits to be allocated to the Development under Section 42 of the Internal Revenue Code of 1986, as amended, does not exceed the amount necessary for the financial feasibility of the Development and its viability as a qualified housing project throughout the credit period for the Development . In making the foregoing determination, this Commission has relied upon representations of the Borrower. The foregoing determination shall not be construed to be a representation or warranty by this Commission as to the feasibility or viability of the Development . In reliance upon the representations of the Borrower, it is hereby found and determined that the Development satisfies the requirements for the allocation of a housing credit dollar amount under the Indiana Housing and Community Development Authority's qualified allocation plan.

SECTION 11. The Secretary of this Commission shall transmit this resolution, together with two (2) copies of the forms of the Financing Documents and the Ordinance approved by this Resolution, to the Office of the Clerk-Treasurer for presentation to the Council with the recommendation that the Council approve the forms of the Financing Documents and adopt the proposed Ordinance hereby recommended to the Council. .

SECTION 12. This resolution shall be in full force and effect upon adoption.

(Signature page follows.)

ALL OF WHICH is adopted and approved by the Economic Development Commission of the City of Hobart, Indiana on this 19th day of November, 2019



Lisa M. Winstead, President



Robert Glover, Secretary

**REPORT AND FINDINGS OF FACT OF THE CITY OF HOBART ECONOMIC
DEVELOPMENT COMMISSION CONCERNING THE PROPOSED FINANCING
OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES FOR
A SAFE HAVEN VETERANS APARTMENTS LP**

The Hobart Economic Development Commission (the "Commission") proposes to recommend to the Common Council (the "Council") of the City of Hobart, Indiana (the "City"), that it finance the construction, acquisition, and equipping of certain economic development facilities for A Safe Haven Veterans Apartments LP (the "Company").

The proposed economic development facilities to be undertaken by the Company will consist of certain additions or improvements in the City, including all or any portion of the acquisition, design, construction, improvement and/or equipping of the affordable multifamily housing facilities to be located in the City of Hobart, Indiana at 7930 Iowa Street consisting of approximately 75 living units and certain functionally-related improvements (the "Development"), which are intended to be utilized in connection with the HUD-Veterans Affairs Supportive Housing program ("HUD-VASH") to be owned by the Company.

The public purpose for which the Bonds are being issued is to finance economic development facilities which will create or retain opportunities for gainful employment and business opportunities and create affordable housing.

The Company has requested that the City issue one or more series of its City of Hobart, Indiana, revenue bonds (with such further or different series designation as may be necessary, desirable or appropriate, including such series designation to indicate the year in which the bonds are issued) (the "Bonds") in the approximate aggregate principal amount of Seven Million One Hundred Thousand Dollars (\$7,100,000), for the purpose of providing funds for paying a portion of the costs of the Development by making a portion of the proceeds of such Bonds available to the Company and paying all incidental expenses in connection with and on account of the issuance of the Bonds.

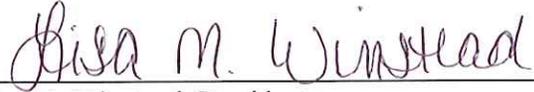
The total cost for the acquisition, construction and equipping of the Development is presently estimated to be in an amount of approximately \$13,289,583, including incidental costs of issuance of the economic development revenue bonds.

The Commission estimates that no additional public works or services, including public ways, schools, water, sewer, street lights and fire protection, will be made necessary or desirable by the Development, because any such works or services already exist or will be provided by the Company or other parties.

Based upon information submitted in the application of the Company and other information available to the Commission, the Commission hereby makes a finding of fact that the proceeds of the Bonds will be used to finance a portion of the Development. Therefore, based upon such finding of fact, the Commission determines that the acquisition, construction, and equipping of the Development will not have an adverse competitive effect on any similar facilities already constructed or operating in or near the City.

Based upon information submitted by the Company, the Commission estimates that, upon completion and as a result of the Development, approximately 6 full-time equivalent jobs and 6 part-time equivalent jobs will be created by the Company, with an estimated total annual payroll of approximately \$500,000. It is also estimated that the undertaking of the Development will require approximately 75 temporary full-time equivalent employees during the construction of the Development with an estimated payroll of \$4,500,000.

Adopted this 19th day of November, 2019.



Lisa M. Winstead, President
Economic Development Commission

Attest:



Robert Glover, Secretary
Economic Development Commission