

AGENDA
CITY OF BLOOMINGTON
ECONOMIC DEVELOPMENT COMMISSION

Thursday, December 23, 2021, 5:00 pm

Join Zoom Meeting

<https://bloomington.zoom.us/j/82513751474?pwd=TUxMV3BvbXJ6ak5ZOXpYZjhBUURJZz09>

Meeting ID: 825 1375 1474

Passcode: 591987

One tap mobile

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1. Call to Order
2. Roll Call
3. Minutes
4. Old Business
5. New Business
 - a. Economic Development Revenue Bond for the Renovation of Country View Apartments, 2500 S Rockport Road
6. For the Good of the Order
7. Adjournment

Next Meeting:

Tuesday, January 18, 2021, 4:00 p.m.



MEMORANDUM

To: Members of the Economic Development Commission of the City of Bloomington

From: Larry Allen, Assistant City Attorney

CC: Alex Crowley, Director, ESD
Jane Kupersmith, Assistant Director, Economic and Sustainable Development (ESD)

Date: December 21, 2021

Re: EDC Resolution 21-06: Inducement for the Issuance of Economic Development Revenue Bonds to Renovate Country View Apartments at 2500 S Rockport Road

Economic Development Commission Resolution 21-06 is for the preliminary approval for the City of Bloomington to issue economic development revenue bonds pursuant to Indiana Code Chapters 36-7-11.9 and 36-7-12 in an amount not to exceed Fifteen Million Dollars (\$15,000,000.00). The City would lend the funds from this Economic Development Revenue Bond to Country View Housing, LP, an Indiana limited partnership, or a to-be-formed Indiana limited partnership or limited liability company for the acquisition and renovation of the affordable housing development known as the Country View Apartments located at 2500 S. Rockport Road in Bloomington. Country View Housing, LP, and its partners would indemnify the City and be fully responsible for payment of the bond. The City would not bear liability, ongoing obligation, or cost related to the bond—the City would act only as a conduit allowing the borrower to access capital at a tax-exempt rate and receive equity for the project in the form of tax credits. This Resolution is only the first step in the process, which is outlined below.

Background

Located at 2500 S. Rockport Road, Country View was built in 1970 and added to in 1975. The complex includes 206 apartments. All of the units in Country View are subject to affordability restrictions: half of the units are reserved for individuals and families earning no more than 50% of Area Median Income (AMI) and the other half are restricted to individuals and families earning no more than 60% of AMI. The mix of affordable housing would not change as a result of this Project.

Project

Country View Housing, LP proposes to invest in capital improvements to address significant needs at Country View. The renovations are expected to include new kitchen cabinets, counter tops, appliances, garbage disposals, kitchen sinks and faucets, new bathroom cabinets, counter tops, sinks, toilets, mirrors and towel bars, new interior doors, new blinds, subfloor repair and mold remediation, new lights throughout the units, and new flooring. More units are also expected to be converted to fully accessible ADA-compliant units. Additionally, there are expected to be updates to the property site including asphalt and concrete repairs, trash compactor updates, repairs to the gutter, downspouts,

Economic and Sustainable Development Department

soffit and fascia, new exterior doors, freeze boards, and work on the sanitary main drain and sump pump.

During the renovations, Country View Housing, LP, or its successor will pay for temporary moving and relocation services for current residents. The Project is expected to create one (1) new job and retain four (4) current jobs.

Financing Process

To finance this major rehabilitation project, Country View Housing, LP will require the issuance of revenue bonds, in an amount not to exceed Fifteen Million Dollars (\$15,000,000.00). Additionally, Country View Housing, LP will rely on available tax credits from the Indiana Community Housing Development Authority (IHCDA). While Country View Housing, LP, could seek these revenue bonds from the State of Indiana through IHCDA, it would add an additional 1% financing fee to the cost. Instead, it requests that the City of Bloomington issue the necessary revenue bonds to finance the acquisition, renovation, improvement and equipping of the properties. These bonds would not be payable from taxes or be a general obligation of the City; they would be payable solely from revenues of the project. Country View Housing, LP, or its successor would assume total liability for bond payments and indemnify the City via the financing agreement. This would exert no effect on the City's constitutional debt limit or bank qualified limit.

Procedure of Housing Bond Transaction

As with similar projects in recent years, Country View Housing, LP, is seeking an inducement resolution from the City of Bloomington Common Council, which is essentially permission to issue bonds and use proceeds to reimburse developer for these improvements. It is a requirement of the application process through which Country View Housing, LP, obtains IHCDA tax credits

The public procedure required by state law is the following:

1. Common Council passes inducement resolution
2. Country View Housing, LP, applies for IHCDA tax credits, negotiates financing agreement
3. IHCDA approves Country View Housing, LP's tax credit application
4. EDC holds public hearing to approve financing agreement, issuance of bonds
5. Common Council approves financing agreement and issuance of bonds

Though not required by law, the Common Council has requested that the EDC make a recommendation prior to its consideration of this inducement resolution. The Common Council will consider this Inducement Resolution on January 5, 2022 in Resolution 22-01.

**RESOLUTION 21-06
OF THE
CITY OF BLOOMINGTON
ECONOMIC DEVELOPMENT COMMISSION**

**INDUCEMENT RESOLUTION FOR THE ISSUANCE OF ECONOMIC
DEVELOPMENT REVENUE BONDS TO RENOVATE
COUNTRY VIEW APARTMENTS**

WHEREAS, the City of Bloomington, Indiana (the "Issuer"), is authorized by Indiana Code Chapters 36-7-11.9 and 12 (collectively, the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, renovation, improvement and equipping of said facilities, and said facilities to be either sold or leased to a company or directly owned by a company; and

WHEREAS, the Common Council of the City of Bloomington, Indiana ("Common Council") has requested that the Bloomington Economic Development Commission ("Commission") review and make recommendations for all economic development revenue bond projects; and

WHEREAS, Country View Housing, LP, an Indiana limited partnership, on behalf of itself or an affiliated to-be-formed Indiana limited partnership or limited liability company (the "Applicant"), has advised the Bloomington Economic Development Commission (the "Commission") and the Issuer that it proposes that the Issuer lend proceeds of an economic development financing to the Applicant for the acquisition, renovation, improvement and equipping of multifamily housing facilities consisting of an apartment complex known as Country View Apartments, containing approximately 206 apartment units located at 2500 S. Rockport Road, Bloomington, Indiana, together with functionally related and subordinate facilities such as carports, garages, parking areas, a clubhouse, and playground, Bloomington, Indiana (the "Project"); and

WHEREAS, the diversification of industry and increase in or retention of job opportunities (approximately 1 job to be created and 4 existing jobs to be retained) to be achieved by the acquisition, renovation, improvement and equipping of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, the Commission has considered whether the Project will have an adverse competitive effect on any similar facility already constructed or operating in Bloomington, Indiana;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION as follows:

1. The Commission finds, determines, and confirms that the promotion of diversification of economic development and job opportunities in and near Bloomington, Indiana, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer; and that it is in the public interest that the Commission and the Issuer take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer.
2. The Commission hereby recommends that the Common Council of the City of Bloomington, Indiana, approve the issuance and sale of economic development revenue bonds in an amount not to exceed \$15,000,000 under the Act for the lending of the proceeds of the revenue bonds to the Applicant, for the acquisition, renovation, improvement and equipping of the Project will serve the public purposes referred to above, in accordance with the Act.
3. In order to induce the Applicant to proceed with the acquisition, renovation, improvement and equipping of the Project, and subject to the further final approval of the Common Council of the City of Bloomington, Indiana, the Commission hereby approves, determines, ratifies and confirms that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing, or as it may deem appropriate in pursuance thereof; and (ii) it will adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development revenue bonds; and that the aforementioned purposes comply with the provisions of the Act; provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant.
4. All costs of the Project incurred after the date permitted by applicable federal tax and state laws, including reimbursement or repayment to the Applicant of moneys expended by the Applicant for planning, engineering, a portion of the interest paid during acquisition, improvement and equipping, underwriting expenses, attorney and bond counsel fees, acquisition, improvement and equipping of the Project will be permitted to be included as part of the bond issue to finance the Project, and the Issuer will lend the proceeds from the sale of the bonds to the Applicant for the same purposes. Also, certain indirect expenses, including but not limited to, planning, architectural work and engineering incurred prior to this inducement resolution will be permitted to be included as part of the bond issue to finance the Project.

Adopted this ____ day of December, 2021.

CITY OF BLOOMINGTON ECONOMIC
DEVELOPMENT COMMISSION

Kurt Zorn, President

Vanessa McClary, Member

Geoff McKim, Member

Kate Rosenbarger, Member

Malcomb Webb, Member