



CITY OF SOUTH BEND REDEVELOPMENT COMMISSION

Redevelopment Commission Agenda Item

DATE: 7/23/24
FROM: Erik Glavich, Director, Growth & Opportunity
SUBJECT: Resolution No. 3604 (466 Works)

[Signature] Pres/V-Pres
ATTEST: *[Signature]* Secretary
Date: *[Signature]*
7-25-2024
 Approved Not Approved

SOUTH BEND REDEVELOPMENT COMMISSION

Which TIF? (circle one) River West; River East; South Side; Douglas Road; West Washington

PURPOSE OF REQUEST: Resolution No. 3604 appropriating TIF revenues for 466 Works scattered site infill housing project

SPECIFICS: The Commission will consider a resolution that will appropriate an amount not to exceed \$1.25 million for the first draw for the 466 Works scattered site infill housing project. 466 Works will build 30 new single-family homes over 3 years and can draw up to \$116,000 for each house it plans to build each year.

On June 25, the Commission approved a development agreement and a resolution, respectively, providing TIF funds for the project. As a reminder, the total funding provided by Commission will not exceed \$3,500,000 and the private investment by the Developer will be no less than \$5,283,000. The Developer agrees to complete the project by December 31, 2027. Funding will be provided via a loan that will be forgiven if the Developer completes the project as committed.

INTERNAL USE ONLY: Project Code: _____;

Total Amount new/change (inc/dec) in budget: _____; Break down:
Costs: Engineering Amt: _____; Other Prof Serv Amt _____;
Acquisition of Land/Bldg (circle one) Amt: _____; Street Const Amt _____;
Building Imp Amt _____; Sewers Amt _____; Other (specify) Amt: _____
_____ Going to BPW for Contracting? Y/N
Is this item ready to encumber now? ____ Existing PO# _____ Inc/Dec \$ _____

EXCELLENCE | ACCOUNTABILITY | INNOVATION | INCLUSION | EMPOWERMENT

RESOLUTION NO. 3604

**A RESOLUTION OF THE SOUTH BEND REDEVELOPMENT
COMMISSION APPROPRIATING CERTAIN FUNDS IN CONNECTION
WITH A DIRECT LOAN TO THE DEVELOPER OF AN ECONOMIC
DEVELOPMENT FACILITY (SOUTHEAST NEIGHBORHOOD
PROJECT)**

WHEREAS, the South Bend Redevelopment Commission (the "Commission"), the governing body of the South Bend Department of Redevelopment and the Redevelopment District of the City of South Bend, Indiana (the "District"), exists and operates under the provisions of Indiana Code 36-7-14, as amended from time to time (the "Act"); and

WHEREAS, the Commission is committed to improving the City of South Bend, Indiana (the "City") by administering and funding projects that support economic development, public infrastructure, and neighborhood revitalization; and

WHEREAS, the Commission has previously adopted a declaratory resolution, as subsequently confirmed and amended, which (i) declared the South Side Development Area (the "South Side Development Area") as redevelopment area pursuant to Section 15 of the Act, (ii) designated the South Side Development Area as an allocation area pursuant to Section 39 of the Act (the "South Side Allocation Area"), for the purpose of capturing property tax proceeds derived from incremental assessed valuation of real property in such allocation area which is in excess of the "base assessed value" (such property tax proceeds, hereinafter referred to as "South Side TIF Revenues"), (iii) created the South Side Allocation Area Fund into which all South Side TIF Revenues are deposited, all pursuant to and as described Section 39 of the Act, and (iv) approved a development plan for the South Side Development Area; and

WHEREAS, 466 Works Community Development Corporation, an Indiana nonprofit corporation (the "Developer"), has informed the City that it desires to acquire and construct certain economic development facilities within the meaning of Indiana Code 36-7-11.9 and 36-7-12 within the City which will consist of up to thirty (30) single-family detached homes containing two (2) to four (4) bedrooms of which (i) at least forty percent (40%) of the homes will be sold at a price that is affordable to households earning one hundred twenty percent (120%) or less of the Area Median Income, with an approximate total development cost of Eight Million Eight Hundred Seventy-three Thousand Dollars (\$8,873,000), on certain parcels of real property generally located in the Southeast neighborhood in the City (collectively, the "Project"), and has requested that the City make a loan to the Developer on a draw basis for the purposes of financing or reimbursing the Developer for a portion of the costs of acquisition and construction of the Project; and

WHEREAS, the Common Council of the City adopted its loan ordinance (the "Loan Ordinance") on July 22, 2024, which Loan Ordinance authorizes the issuance and funding of a forgivable loan from the City to the Developer on an annual draw basis (the "Loan") over a three (3) year period, with each annual draw amount equal to the sum of approximately \$116,000 per home the Developer expects to construct each year, in the total aggregate principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) to finance a portion of the Project; and

WHEREAS, the Commission previously adopted its Resolution No. 3602 on June 27, 2024, determining, subject to annual appropriation by the Commission, to make available the South Side TIF Revenues to simultaneously reimburse the City for its costs incurred to fund each draw on the Loan to the Developer with respect to the Project; and

WHEREAS, the Commission now desires to appropriate an amount not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) to fund the first draw on the Loan to the Developer with respect to the Project; and

WHEREAS, notice has been given and this date a public hearing has been conducted regarding such appropriation, as required by Indiana law;

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH BEND REDEVELOPMENT COMMISSION, AS FOLLOWS:

SECTION 1. 1. An appropriation in an amount not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000), is hereby made for the purpose of simultaneously reimbursing the City for expenditures made, or to be made, by the City to fund the first draw on the Loan to the Developer with respect to the Project, and the funds to meet this appropriation will be provided out of the South Side TIF Revenues collected in the South Side Allocation Area. Said appropriation shall be in addition to all other appropriations provided for in the existing budget and tax levy.


SECTION 2. The officers of the Commission and the Controller of the City are hereby directed to make any and all required filings, if any, with the Department of Local Government Finance in connection with this resolution.

SECTION 3. The President, Vice President or any other officer or member of the Commission are hereby authorized to take all such actions and to execute all such instruments as are desirable to carry out the transactions contemplated by this resolution, in such forms as such officer or member executing the same shall deem proper, to be conclusively evidenced by the execution thereof.

SECTION 4. This Resolution shall be in full force and effect from and after its passage.

ADOPTED at a meeting of the South Bend Redevelopment Commission held on July 25, 2024, in Room 1308, County-City Building, 227 West Jefferson Boulevard, South Bend, Indiana, 46601.

SOUTH BEND REDEVELOPMENT
COMMISSION

By: 

Troy Warner, President

ATTEST:



Vivian G. Sallie, Secretary