

**REPORT AND FINDINGS OF FACT OF THE
SOUTH BEND ECONOMIC DEVELOPMENT COMMISSION
CONCERNING THE PROPOSED FINANCING OF
ECONOMIC DEVELOPMENT FACILITIES FOR
MAH CEDAR GLEN, LLC**

The South Bend Economic Development Commission (the “Commission”) proposes to recommend to the Common Council (the “Council”) of the City of South Bend, Indiana (the “City”) that it finance the acquisition, construction, renovation, installation and equipping of certain economic development facilities to be developed by Merchants Affordable Housing Corp. (the “Developer”) and owned by MAH Cedar Glen, LLC (the “Owner,” and together with the Developer, the “Applicants”).

The proposed economic development facilities to be undertaken by the Developer and owned by the Owner will consist of acquisition, construction, renovation, installation and equipping of a 179-unit affordable multi-family housing facility to be located within the City at 425 South 25th Street, South Bend, IN (the “Project”), having a total estimated project cost of \$12,109,806.

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

The Developer, on behalf of the Owner, has requested that the City issue one or more series of the City of South Bend, Indiana, Economic Development Multifamily Housing Revenue Bonds, Series 2019 (MAH Cedar Glen, LLC Project) (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 aggregate principal amount not to exceed Seven Million Three Hundred Thousand Dollars (\$7,300,000), for the purpose of providing funds for paying all or a portion of the costs of the Project and paying all incidental expenses incurred on account of the issuance of the Bonds.

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

Based upon information submitted in the application of the Applicants and other information available to the Commission, the Commission hereby makes tentative findings of fact that (a) the proceeds of the Bonds will be used to finance all or a portion of the Project, (b) the use of the proceeds of the Bonds to finance the Project will not be used to subsidize rents to be paid by tenants or occupants of the Project, and (c) the tenants are expected to pay rent similar to similar facilities existing in the area. Therefore, based upon such findings of fact, the Commission tentatively determines that the acquisition, renovation, and equipping of the Project will not have an adverse competitive effect on any similar facilities already constructed or operating in or near the City.

The Commission estimates that, upon completion and as a result of the Project, approximately 6 new full-time equivalent jobs will be created, with an estimated total annual payroll and benefits of approximately \$225,625 and it is estimated that, upon completion and as a result of the Project, local construction participation is estimated at roughly \$1,290,000, or 30% of the rehabilitation budget.

Adopted this 16th day of April 2019.

SOUTH BEND ECONOMIC
DEVELOPMENT COMMISSION

Tim Scott, President

Consuella Hopkins, Vice President

ATTEST:

Quentin Phillips, Secretary