

CITY OF EAST CHICAGO
ECONOMIC BUSINESS DEVELOPMENT COMMISSION
Thursday, February 27, 2020

BOARD MEMBERS:
Jesse Avitia
Leon Valdez
Delainah Medina

STAFF:
Belinda Harris
Richard Morrisroe

Reported by: Peggy S. LaLonde, CSR, RPR
Fissinger & Associates

Call to Order: 4:30 p.m.

Pledge of Allegiance

Roll Call: Present: Jesse Avitia
Delainah Medina
Leon Valdez

Staff Present: Richard Morrisroe, Legal Counsel
Belinda Harris, Recording Secretary

Motion to approve minutes of January 23, 2020 made by
Delainah Medina. Second by Leon Valdez.

Comments/Questions: None

Roll Call: "All in Favor": All Abstain: None
Opposed: None

MR. AVITIA: Motion carries.

Since we appear to have no Old
Business on the agenda, we'll go to New Business. Mr.
Morrisroe.

MR. MORRISROE: I would ask Mr. Crawford
and Mr. Bertig to sign in before they leave today. I'm
going to introduce James Crawford, who is attorney for
the bonds that are part of the financing of the senior
housing, which you have seen before you.

Mr. Crawford is with the firm of
STASTNY, a very large and distinguished, long term law
firm. What is the movie that they should see, that your
firm had -- Deepwater?

MR. CRAWFORD: I think that was it.

MR. MORRISROE: Great film, about

1 environmental stuff and one of the lawyers from their
2 firm was representing people whose lives were being
3 terribly altered, in West Virginia. Beautiful
4 environmental movie, in the tradition of some other
5 great environmental movies. That's an aside.

6 Mr. Crawford will appear, and with
7 him is Mr. Bertig. Mr. Bertig is the developer and the
8 main coordinator to the senior housing. This will be
9 replacing the housing that we have known for 50 years,
10 know as the Nicosia Housing, on Railroad Avenue, which
11 is moving to the Harbor because of available space.

12 Instead of a single 11-story
13 building, it will be a series of building along the east
14 and west side of Main Street, from 3600 136th north to
15 135th, and will go east on 136th from Main Street to
16 almost Guthrie.

17 We would like them to present. We
18 are here to facilitate the Resolution that you will be
19 asked to adopt and consider. As I say it's an important
20 part of this. This is a matter of a public hearing and
21 I'd ask Mr. Crawford if I have un-dotted any I's or
22 uncrossed any T's, in terms of requirements of the
23 public hearing that he helped lay for those. Thank you.

24 MR. CRAWFORD: Thank you, Richard. I
25 appreciate it. As we go through the project with you,
let me briefly touch on the financing. These bonds are
not a general obligation of the City of East Chicago.
They are new revenues that the City of East Chicago
pledged in repayment of the bonds. These bonds will
allow the Indiana Housing Community Development
Authority to issue tax credits, which will be sold, to
put equity into the project. The Internal Revenue Code
requires that for ICDA to issue those credits at no
charge against their state limit, that at least
50 percent of the cost of the land, of the building, has
to be made with taxes and bonds, and those bonds will be
the ones that City of East Chicago will issue.

When the bonds are issued, they will
be issued pursuant to Trust indenture. The bond
proceeds are then placed into an assignment account
under the Trust indenture and invested in U.S.
Treasuries. The bonds will only be outstanding until
September 1st, of 2022, by which time the project will
have been placed in service. And the Internal Revenue
Code only requires the bonds to be outstanding until the
project is placed in service.

During the time the bonds are
outstanding, because the proceeds are invested in U.S.

1 Treasuries, the bond holders will be secured dollar for
2 dollar with their price that they paid for the bonds.
3 Before the last few days, I would have said that the
4 bonds would carry an interest rate of approximately
5 1.6 percent. I don't think we are going to be issuing
6 the bonds for a couple months, so I don't know what is
7 going to happen with the markets. But the Treasury
8 bills have dived down to the mid one twenties right now.
9 So it's a method of getting equity into the project so
10 you don't have the high leverage project, and to get it
11 in at a cost that is very economical and is not the
12 burden on the City of East Chicago.

13 The way the proceeds will work, and
14 the financing of the project with the bond proceeds, is
15 that when the developer wants to make a withdrawal to
16 pay construction costs; he will make a disbursement
17 request, and then that goes to the bond trustee. The
18 bond trustee will tap the HUD lender on the shoulder and
19 say, I have this request for \$500,000, please advance
20 \$500,000 of the HUD loan to the trust account, so that
21 our bond holders are still secure dollar for dollar with
22 their investment. And then that \$500,000 worth of bond
23 proceeds will go to pay the cost, in line with what the
24 requirements of the Internal Revenue Code are.

25 There will be a regulatory agreement
declaration restricting covenants which will be recorded
and run with the land requiring the project to be kept
for occupancy for low and moderate income persons. And
in this case, yours is a senior project, isn't it?

MR. BERTIG: Correct.

MR. CRAWFORD: I'd be happy to answer any
questions now that I have given you the gobble gook.

MR. AVITIA: Mr. Morrisroe mentioned it
was going to be substitution for Nicosia.

MR. MORRISROE: It's approximately the
same number of units as the Nicosia.

MR. AVITIA: I see it's 206 apartments or
residences. How is that going to be distributed? Is
that going to be similar, any limitations on who is
going to qualify for that?

MR. BERTIG: It will be age restricted,
62 and above. Right now the Nicosia Building is 57 and
above, I believe. Many studies have been done and

1 suggest that 57-year olds, they are still -- just have a
2 little too much life in a 57-year old to be placing them
3 in the same building than some more senior individuals.
4 And so there's been a real rethinking of that, and
5 that's why these buildings will be 62 and older.

6 There will be 206 units. Six of the
7 units are two bedrooms. The other 200 are one bedroom
8 units.

9 I have to tell you, it's a project
10 that I am extremely excited about because -- you know --
11 I have traveled and seen a lot of senior project
12 developments around the state and country. And I am
13 telling you, based on my experience and seeing, you are
14 going to have a product here that is second to none in
15 the entire country, based on just what the products of
16 construction consist of, the interior finishes, the
17 layout and design.

18 We went through extreme depth just
19 to take our time and make sure that we were doing
20 something transformative here, that will be a showcase,
21 here in East Chicago.

22 We are really excited, but what you
23 have here is kind of a diagram -- layout. As Mr.
24 Morrisroe said, there will actually be two buildings
25 rather than one really high building. It will be two
buildings, four stories each, on the west side of Main
Street. The longer, rectangular building, will have 93
units in that building. Building B -- here -- will have
113 units, and that will be the make-up of all of the
products again used.

The first floor will all be masonry
as diagramed there. Above three floors will all be a
hardy plank material, so there is no vinyl or any of
that type of product on the buildings. These are the
hardy plank materials. This here (Indicating) is the
illustration of the planks that are there, in blue.
There is some highlighting around the entrances of both
buildings in orange. That's a metal product that you
will see denoted here. The grout, this is actually the
color of the grout that you see matches the masonry
brick that will make-up the main level. And then the
windows here of that -- almost like a taupe color --
that's matching into the building.

One of the other things that I will
say, these are seniors and so there is -- we are
actually building it to standards. We are not going for
the certification, but it will be built to that
standard. That's actually an ICDA requirement for the
tax credit. But in addition, you know, there is energy

1 raters and such that are part of this project.

2 So, for instance, when we are done
3 constructing, there will be a company that comes in and
4 does a blow test in a number of the units, just to make
5 certain that the construction was built the way it is
6 meant to be built, and this will be a real highly
7 efficient building.

8 One other thing that I will add, is
9 when you get a chance, you should look more closely at
10 some of the interiors here. So this product here is a
11 vinyl tile like material that will be in the corridors.
12 There will actually be streaks of color that runs
13 through that tile there, because the floors will all be
14 color coded. So, you know how you go to some buildings
15 or parking garages in Chicago, and they are denoted by
16 animals -- right. So the floors will be color coded.
17 That will match through the tile. These are the four
18 different colors that it will be. These are -- here you
19 see some of the common area flooring. The materials
20 down here are all the flooring for the units. You will
21 actually be able to see an illustration here of finishes
22 of the kitchen and the living area for the unit. And I
23 think when you take a closer look at this, you will see
24 that this project here is one that will set East Chicago
25 apart from a lot of cities in this country.

Any questions?

14 MR. AVITIA: Any restrictions?

15 MR. BERTIG: There will be. So the
16 project will be -- all project based vouchers will be
17 issued by the Housing Authority of East Chicago. And so
18 as far as tax credits are concerned, there will be a
19 60 percent AMI restriction on the units. So that's
20 probably the income restriction that will be constrained
21 by. But there will be project based vouchers for all
22 the units, so depending on the income, it will flux
23 anywhere from 30 to 60 percent.

24 MR. MORRISROE: Well, is it presumed that
25 the first residents will largely people moving from the
Nicosia Center?

MR. BERTIG: That's correct.

MR. MORRISROE: At least the first
occupancy.

MR. BERTIG: It's a requirement, HUD

1 requirement, that all of the present residents at the
2 Nicosia Building will all get a unit in the new
3 building, even the ones that are under 62. Because they
4 are in that building there, they automatically get a
5 place here in one of the two buildings, if they so
6 choose.

7
8 MR. AVITIA: So they would be
9 grandfathered in?

10 MR. BERTIG: Yes. We are not displacing
11 anybody. Everybody gets to move to the big, new, shiny
12 house.

13 MR. AVITIA: So will Nicosia residents
14 fill the new project or will there be space available?

15 MR. MORRISROE: There may be some that
16 prefer to remain and find housing on this side of town
17 or to move out of town. It depends on how people
18 perceive not only the housing, but the community they
19 are moving into. And I don't know that they can predict
20 or do any preliminary work, which is probably too soon
21 to be kind of triggering people, like they are going to
22 be moving tomorrow and they are not. What date range
23 are you looking at for occupancy?

24 MR. BERTIG: So we have an anticipated
25 close date at the beginning of June of this year, and
then 18 months of construction; so December of 2021.
Unless, you know, we get great weather, and we are
always trying to, you know, shrink those timelines. But
with weather considering and such, we are looking
somewhere late Fall, to early Winter of 2021.

MR. VALDEZ: What amenities, if any, are
you going to offer? Since you are catering to senior
citizens, would there be a grocery store or convenience
store located within the buildings?

MR. BERTIG: Not within the buildings.
There is actually no retail in these buildings here. I
know we have been working diligently with the City, and
I know that they have already, in the area where we are
developing, brought a lot of new amenities over the last
3, 4 years, by the community center. There is -- I know
there is a clinic that's earmarked for the area. Well,
you probably know better than I, all of the new
amenities that have been built and developed over in

1 that market in the last 3 to 5 years.

2 MR. MORRISROE: If I may, the clinic is
3 tied to -- they are also going to have 28 units of
4 housing, affordable housing, for families, at 2301
5 Broadway, across from the new senior building that's
6 right there, between Alder and Euclid. That housing is
7 scheduled to have one of the HealthLinc Clinics. We
8 have one near Post 369, on Chicago Avenue. They have a
9 lot of service centers throughout Northwest Indiana and
10 the developer of the 2302 Broadway, has made that
11 HealthLinc Center part of what they are going to putting
12 there, about a block away from where we are putting
13 this.

14 MR. BERTIG: One of the other things
15 though, we are -- that's one of the charges also by ICDA
16 for receiving the tax credits, and so we are working in
17 conjunction with about seven non-profits in the City and
18 in the area that will be -- we are working on that,
19 offering of services, and activities, and other
20 amenities that we will be able to offer the residents.

21 MR. MORRISROE: Obviously food service
22 has been a problem for the Harbor and is something that
23 is being worked on by a number of departments. And any
24 solution you can come up with, please suggest it,
25 because it is needed. We have a food desert in the
26 Harbor to some extent now and that needs to be
27 addressed.

28 MR. AVITIA: One of the concerns the
29 Commission has, is the fact that you already have two
30 older buildings with seniors in the area, and then you
31 add this to the area. So it's going to be heavily
32 concentrated area with seniors. We are concerned about
33 the amenities; ambulance services, rides, groceries.
34 Now the whole thing that has to be provided for people
35 for that type of housing.

36 What I've seen in that area is not
37 right now at this point in time. I don't think it's
38 appropriate to kind of have the concentration of seniors
39 that you have in that area. So unless we continue doing
40 this --

41 MR. MORRISROE: Try developing the
42 support services.

43 MR. AVITIA: It's a major concern for us.

1 MR. BERTIG: There is a couple of things
2 there. The other senior provided facilities that are in
3 the area, are all public housing facilities, all in need
4 of repair -- right. And so, again, when we are talking
5 about being able to offer first class housing to the
6 senior residents of East Chicago, this project here is
7 going to do that in a fashion like I suggested, that
8 would rival any city in the country. And then that's
9 going to allow your Housing Authority to make some
10 decisions, good decisions, about maybe facilities.

11 Like Nicosia, they have other
12 facilities that may not be as bad in that rate of
13 disrepair, but now they can then maybe concentrate on
14 some of the senior housing and then concentrate on some
15 of the services you'd like to see as well. And so I
16 think that's all being considered as part of this
17 project here.

18 MR. AVITIA: I mean, I don't find the
19 fact -- I say we are concerned. It's basically the idea
20 that the buildings are going to be there. It's a step
21 in the right direction. However, it's a work in
22 progress and we have to see the amenities in the area,
23 otherwise it's not -- what I consider -- a good
24 situation, as it is right now.

25 MR. BERTIG: So, you know, I would just
say, that if you look at the Nicosia Building right now
-- and I understand -- I guess you could say the grocery
that's there off Indianapolis Avenue is maybe within
walking distance for some of them, but probably there is
quite a few of them that it is not. And so, the fact
that you have a building that once these residents are
relocated, will probably be demolished immediately.
It's in that bad of disrepair.

I know you have probably seen the
fencing around the building, that's because there is
actually parts of the building that from time to time
fall off of that building. And I have been through the
building -- having resident meetings -- and I tell you
it made us go back to the drawing board and really work
to, again, bring what we think is an end product here
that's going to be totally uplifting to a lot of
residents that had to endure just some of the conditions
that are still there at the Nicosia.

MR. AVITIA: We can see high quality
construction, just from what you are saying.

1 MS. MEDINA: If you don't mind, I
2 understand what you are saying about the Nicosia
3 Building. I have had family members that have lived in
4 them, so I understand personally. I have seen it
5 firsthand. So I do see here that it is a step up. It's
6 a point in the right direction.

7 However, my concern is, 62-year olds
8 do have some life in them as well. Is there any type of
9 recreation, as far as gym, exercise equipment; anything
10 that's going to be placed in here to help them out with
11 that quality of life, to promote more healthier versions
12 of them?

13 MR. BERTIG: Absolutely. So there are
14 fitness --

15 MR. MEDINA: I don't believe that was
16 there in the Nicosia Building. You have a small rec
17 center.

18 MR. BERTIG: There are meeting rooms in
19 each building. There are fitness rooms in each
20 building. There are TV and gathering rooms in each
21 building. There are gathering kitchens in each
22 building. Each floor has its own laundry. So I believe
23 there was one laundry room in the entire Nicosia
24 Building, and in this building here, every floor will
25 have its own laundry. There is two elevators in each
building for getting residents up and down, just the
four floors versus 11 -- right.

So what maybe I will do, Richard, if
I could do that with you, let me e-mail just a list of
the building amenities that you can share with the
Board.

MR. MORRISROE: I'd be happy to accept
that.

MR. BERTIG: And then I think you will
see that; yes, there is a lot of amenities in the
building. And again, I think that we have been able to
go above and beyond, and they are definitely going to be
nicer.

Now, this piece of art -- these
couple pieces of art here are just some illustrations
that the designer used to draw some of the colors from.
But there is even a couple of artists that will be doing
pieces of art to hang in these buildings. It's going to
be bright, light, uplifting, and I think, really, really

1 appreciated by the residents.

2 MR. VALDEZ: I'm sure that some of the
3 residents drive and there will be people that come to
4 visit. Especially since it's a new, modern building, it
5 will encourage more people to visit, relatives and
6 friends, to this facility. As far as parking will be
7 concerned, will that be a problem?

8 MR. BERTIG: So, what we have been able
9 to do is meet the Code requirement for parking, that
10 encompasses some street parking as well. But based on
11 -- I'll put it like this -- based on the current Nicosia
12 residents, we have plenty of parking. Now, as we get
13 residents for the units that aren't filled by current
14 Nicosia residents and they be drivers or such; then
15 that's something that -- you know -- well would have to
16 be addressed through, you know, public parking. But the
17 improvements that are being made on Guthrie, where
18 additional street parking is being added all up and down
19 Guthrie, as well as Broadway, south of 136th Street; I
20 don't think that would be a problem.

21 MR. MORRISROE: If I may, the current
22 residents of the Nicosia Building, there are only 4 or 5
23 parking places in front of it; whereas here, we have
24 Main Street, both sides of the street. That's an
25 extensive area. And we have 136th, at least the north
side where the housing is. And so I think -- and there
is also, as I understand it, there is clearly parking
behind the L building. Is there parking as well behind
the other building, on the other side of the street?

MR. BERTIG: There is. Here it is here,
so there is parking behind this building that you see
here (indicating), and then there is also parking all
through here, off street parking.

MR. VALDEZ: What I'm looking at is, as
you stated, the Nicosia Building is in disarray because
it's old, it's falling apart. People are reluctant to
move into a facility like that, but now that you have
this beautiful thing, more people are going to try to
get in there, I believe. Hey, this is new. It attracts
them. They are going to want to come and they might be
drivers. And like I said, might have people come visit.

Also, my concern is security. It is
not the best part of town this facility is going to be
built in and I am very concerned because they are senior

1 citizens, and we have to provide good security for them.

2 MR. BERTIG: So some of the things, I
3 know that, from a security standpoint, I know the City
4 will be installing -- and has already started -- an
5 extensive camera system. These buildings here will all
6 be on a key fob system. You won't be able to get into
7 the building without someone either letting you in or
8 you yourself having your own fob. There is going to be
9 -- again, that's where, to some extent -- right -- and
10 it's funny because this was actually a real tough
11 discussion when we were, you know, planning for the
12 level of security that will be at the building.

13 So, one of the problems I had was,
14 nowadays, people do not normally have land lines --
15 right. Everyone has a cell phone. So, that means when
16 I show up at the door and I ring your buzzer, it's going
17 to ring to your cell phone. You think, well, maybe
18 that's not an issue. Well, it is an issue if I'm on the
19 other side of town and I am not even in the building,
20 and I can let you in the building via my cell phone and
21 you are on the other side of town.

22 So those kind of decisions, security
23 considerations, were all given to the building. We
24 think we have ended at a place where it still allows for
25 some autonomy and not making it feel and look like a
26 police state; but at the same time taking into
27 consideration the security needs that we thought might
28 be adequate.

29 So, to that though, I think that we
30 are in a position that we can add and/or take away,
31 based on what it actually ends up being. I know that
32 initially that was one of the concerns that we had as
33 well. And initially we had fencing planned and some
34 other barricade like security measures, but after -- you
35 know the understanding that some of the buildings on the
36 opposite side of Guthrie, that are going to be coming
37 down, some of those residents being displaced. And what
38 the plan is for bringing in new residents and some of
39 the other development that's happened, again, by the
40 City in that area; it kind of subsides some of the
41 anxiety for security measures that we had.

42 And then we expect and intend that
43 it will only get better over the next 24 months by the
44 time we are actually moving residents into the new
45 building here.

46 MR. VALDEZ: Sounds like the building is
47 secure, which is great. But my concern is from the

1 people coming and going, they are outside. You've got
2 senior citizens, some of them elderly, some of them
3 having trouble moving around; those are the people I am
4 worried about, because they are not in the building.
5 they are outside, coming and going. That's a very big
6 concern of mine.

7 MR. BERTIG: So, I think that some of
8 that, when you see the finished product, will go away,
9 in that what you are not seeing in these illustrations
10 here, there will actually be a-round-about pickup and
11 drop off at the doors of each building. So residents
12 that are able to, can drop off groceries, drop off other
13 items and such. Once you then get into the parking
14 areas, there are some barriers that would suggest to
15 outsiders that you should not enter. And I think based
16 on, again, the cameras and then the signage and such,
17 will probably suggest to some -- or maybe most -- we
18 hope -- that it is not a good idea to enter.

19 MR. VALDEZ: How about lighting? It will
20 be daytime at nighttime?

21 MR. BERTIG: Absolutely. It has to be
22 lighted. These are seniors. One of the things, when
23 the designer came back to us -- where's a good
24 illustration of it? For instance, here (indicating).
25 These are stairwell corridors. You have to have a key
fob to get in this door right here, and then that's a
stairwell. And so just -- just from the manufacturer --
there is a tint on the windows that will be in the
units.

So, one of the things that we did is
removed all tint off the windows in the corridors and
the lighting that's going to be in those corridors,
taking into consideration if I am in the corridor and I
am having an issue, I want someone from the street to be
able to see that, and hopefully call 911 if I am in the
corridor and I am having an issue, which you will also
see here at the doors. All the entrances, public
entrances, are going to be well lit in all directions,
just to make certain that, again, seniors are able to
get into the building safely.

One of the other things -- I don't
have a floor plan for you -- but in Building 1 here, the
only living either unit space or common space that's in
public domain, is the laundry on the first floor. In
this building here, all the public space is in one area,
and to get into any of the living areas, you have to

1 have a key fob. So it's not like a lot of other
2 buildings. Once you are in the building, you can
3 maneuver through and get into living spaces and such.
4 In these buildings, you will not be a senior coming out
5 of your door and there is someone that's not been
6 invited into the building in your corridor.

7 MR. VALDEZ: My experience with key fob
8 is this. If we all have a key fob and living in this
9 facility, and I lose mine or I'm robbed and the key fob
10 goes. Will you be able to deactivate that key fob?

11 MR. BERTIG: Absolutely.

12 MR. VALDEZ: Am I correct in saying, you
13 will know it's Leon Valdez coming into that billing and
14 Jesse Avitia coming into that building?

15 MR. BERTIG: Well, I'm going to know if
16 the key fob issued to you is coming into that building,
17 yes. Absolutely.

18 MR. VALDEZ: Great.

19 MR. AVITIA: Who is going to own the
20 facility?

21 MR. BERTIG: So the developer will own
22 the majority of the facility. And MECHA, the non-profit
23 for the Housing Authority will also own a portion of the
24 building.

25 MR. AVITIA: The maintenance of this
building because -- I know it's going to be awhile
before they start needing that -- who's responsible for
the maintenance, the borrower or MECHA?

MR. BERTIG: Me, the developer. And we
have gone through great lengths preparing operation
budgets in advance, reserve budgets, the whole nine
yards; so that is our aim. And then also in the
materials chosen to be provide, interiors and exteriors,
to make certain that -- from our standpoint -- 12 years
from now, this building looks the way it does right now.

MR. AVITIA: You also mentioned that we
may have residents that did not come from the Nicosia
Building. Now, what kind of restrictions or what kind
of contracts, lease contracts are we going to have

1 minimum time for residents to have a lease or are the
2 leases going to be issued? How are they going to be
3 handled?

3 MR. MORRISROE: The eligibility as well.

4 MR. AVITIA: People come in and say, I
5 want to live here, and two weeks later they decide to
6 disappear. We have a problem in East Chicago with
7 renters, people who rent. You buy a building or rent an
8 apartment for 3 or 4 weeks, and then disappear. How is
9 this going to be controlled? I think that's a good
10 question, because one of the concerns I have is rental
11 units in East Chicago. How are we going to control the
12 entrance and the appearance, and these terms for this
13 kind of activity?

10 MR. BERTIG: So -- you know -- leases
11 will be probably relatively standard per HUD standards.
12 But what we find is, for subsidized units, especially
13 subsidized units that are as nice as this, you would
14 just minimal the turnover that you are referring to.

12 We manage our share of tax credit
13 units there in the City of Indianapolis; and especially
14 when you are in certain locations, or you have certain
15 products that will be representative of this; and you
16 are then also getting some subsidy to help with that
17 rent, with that rent amount, that turnover.

16 MR. AVITIA: Let's assume I want to rent
17 one of those apartment -- okay. What is the minimum
18 amount of residence time that you allow me?

18 MR. BERTIG: One year.

19 MR. AVITIA: So if I sign a contract or
20 lease, it needs to be a year?

20 MR. BERTIG: Yes.

21 MR. AVITIA: No less than a year.

22 MR. BERTIG: No less than a year. With
23 project based vouchers, we can actually go up to
24 24 months. So the project based voucher means that the
25 voucher actually stays with the building. There are
26 vouchers that are travel vouchers, that would be my
27 voucher, that I can take anywhere in East Chicago; but
28 these are not those vouchers. These vouchers stay with

1 the building. So it's a lot more difficult, once you
2 accept this voucher and you are on that 24, 12 to
24-month lease term, to abruptly exit as your scenario
3 suggests.

4 MR. AVITIA: Somewhere in your documents
I read that no rental will be less than 30 days. Can
5 you explain that to me?

6 MR. BERTIG: What was that -- no rental

7 MR. AVITIA: No rental would be less than
8 30 days.

9 MR. BERTIG: I am not familiar with that.

10 MR. MORRISROE: Perhaps that calls for
the attorney to speak to that.

11 MR. CRAWFORD: That is to comply with the
12 Internal Revenue Code because rentals of less than
30 days would be considered to be, like, hotel lodging.
13 And so you have to have rental of at least 30 days for
the Internal Revenue Code. And you have to remember, in
14 these deals, we have got bond provisions that are
governed by the IRS and Internal Revenue Code. You have
15 got provisions that are required by HUD. And you also
have got provisions that deal with the tax credits and
16 they all have kind of have slightly different times.

17 So no less than 30 days is a bond
provision under the Internal Revenue Code. Ezra has his
18 terms that are required by HUD, and so on.

19 MR. AVITIA: That explains that for me.
Thank you.

20 MR. MORRISROE: If I may, Belinda had a
question, I believe.

21 MS. BONILLA: You brought up about the
grocery store. They have been searching and trying to
22 bring in a grocery store to the Harbor. A lot came back
saying the numbers didn't justify. So development like
23 this could probably help to bring in a grocery store to
our Harbor.

24 MR. MORRISROE: Now, you have before you
25 a Resolution --

1 MR. VALDEZ: Last question. What is the
2 total amount of capital investment in this project?
3 Besides the bonds issued, what is this going to be?

4 MR. BERTIG: So the bonds -- for the
5 project. So, the total development cost for this
6 project is \$41 million.

7 MS. MEDINA: I do have a question. You
8 stated that it's income based. A lot of them are on
9 disability. What is your minimum rent going to be
10 there?

11 MR. BERTIG: So the observed lowest
12 subsidy that's recognized is 30 percent AMI, and that's
13 a HUD recognized AMI subsidy.

14 MR. MORRISROE: And AMI is?

15 MR. BERTIG: Average median income. So
16 if you take the average median income -- let's say if
17 it's \$50,000, here in East Chicago. It would be
18 30 percent of the \$50,000 is where the most of the
19 subsidy, up to 60 percent of that average median. So
20 it's really servicing a moderate population.

21 MR. MORRISROE: Attorney Crawford asked,
22 that for the technical part, this needs to be the public
23 hearing. We need to come forward to make sure we
24 execute that properly. We thought we might have a large
25 crowd, so far we are just ourselves.

MR. CRAWFORD: It is not uncommon, I do a
lot of these. What we will need to do is have the
Commission call the Public Hearing to order, ask if
there is anybody here that wants to speak on behalf of
the project, or against the project. And then as
typical, seeing none, close the Public Hearing. That's
a requirement of the Internal Revenue Code, as well as
the State statute that these bonds are issued under.

And after that the Commission can
consider the Resolution that it has before you, which
approves the financing amount not to exceed \$22 million
and approves those documents and recommends a formal
ordinance to the Common Council for adoption.

MR. AVITIA: I'd like the Commission
approve the Resolution -- to adopt the Resolution for
the ECHA Lakeshore Manor-Multifamily Housing Bonds for

1 the amount of \$22 million.

2 MR. VALDEZ: You have to close the public
3 hearing first.

4 MR. AVITA: I am going to ask my
5 Vice-president to do this, he's a lot better at this.
6 He's done that so many more times.

7 MR. VALDEZ: At this opportunity, this
8 Commission would like to open the Public Hearing for any
9 public to come to voice their opinion for or against
10 this project. (None) We have no public here, so we
11 will close the Public Hearing.

12 MR. MORRISROE: To move on, we have the
13 two documents before us. One of which you are asked
14 yourselves to vote on one way or another. We are
15 assuming you would vote in favor of the bond issue,
16 which would that refer to the ordinance, which is
17 unnumbered, to the East Chicago Common Council. You are
18 the recommending body. They are the enacting body for
19 the bond issue.

20 MR. CRAWFORD: That's absolutely correct.

21 MR. MORRISROE: So, the first then is the
22 Resolution of the East Chicago Economic Development
23 Commission approving and authorizing certain actions and
24 proceedings with respect to certain proposed multifamily
25 housing revenue bonds for the Lakeshore Manor
26 Apartments. If you have any questions -- we sent that
27 document to you a few days ago. If you've had a chance
28 to ask any questions or make any comments about it.

29 Questions/Comments: None

30 MR. MORRISROE: You would just then move
31 for adoption of the Resolution.

32 MR. AVITIA: Can I have a motion to adopt
33 the Resolution for ECHA Lakeshore Manor Multifamily
34 Housing Bonds for \$22 million.

35 MR. VALDEZ: So moved.

MS. MEDINA: Second.

MR. AVITIA: Roll call.

1 Roll Call: "All in Favor": All Abstain: None
Opposed: None

2 MR. AVITIA: Motion carries.

3 MR. MORRISROE: We'll have that executed.
4 I would ask also then that you vote on recommending and
5 sending to the East Chicago Common Council, the
6 ordinance that deals with the same issues.

6 MR. AVITIA: Can I have a motion to
7 recommend that we send the East Chicago Common Council
8 the Ordinance and adoption of it by this Commission.

8 MS. MEDINA: So moved.

9 MR. VALDEZ: Second.

10 MR. AVITIA: Roll call.

11 Roll Call: "All in Favor": All Abstain: None
Opposed: None

12 MR. AVITIA: Motion carries.

13 MR. MORRISROE: We have other items on
14 the agenda, but we'd ask you to execute those documents
15 and we'll have them done before we leave. The signature
16 page is on the back and we have president,
17 vice-president, and then Belinda Bonilla is the
18 secretary for the Commission. So, we'd ask that she
19 would sign it as well.

17 MR. AVITIA: So we can move on with New
18 Business. We have the new business list for February
19 2020.

20 Questions/Comments: None

21 MR. AVITIA: Any Commissioner comments?

22 MR. VALDEZ: I'm excited about this
23 project. I'm sure East Chicago again will take the lead
24 on modern housing for our seniors and I hope they are as
25 excited as I am, that they will be able to move into a
facility as such. They deserve it, and I am proud that
this project is coming to East Chicago.

MS. MEDINA: The layout is beautiful. I

1 too am excited to see this myself. It's nice.

2 MR. AVITIA: I feel it's personally a
3 step in the right direction, with some of the concerns
4 that we stated here. And the Commission should strongly
5 be advised, or at least notified, of some of the
6 questions we had. For example here, parking, keep us
7 apprised of what some of the plans are for the
8 buildings.

9 MR. MORRISROE: Well, we can request Mr.
10 Bertig perhaps on a quarterly basis, just to give us a
11 simple one-page kind of progress report, and I think
12 that will be very helpful to the Commission. And it can
13 be to the community, kind of an open communication to
14 the community as well as to what is happening.

15 MR. BERTIG: Yes.

16 MR. AVITIA: Our next meeting will be on
17 Thursday, March 26, 2020, at City Hall, same place. Can
18 I have a motion to adjourn?

19 Motion to adjourn made by Delainah Medina. Second by
20 Leon Valdez.

21 Roll Call: "All in Favor": All Abstain: None
22 Opposed: None

23 MR. AVITIA: Motion carries. Meeting
24 adjourned.

25 ***** Meeting adjourned AT 5:25 p.m. *****

1 Approval of the Meeting Minutes of Thursday
2 February 27, 2020

3 Approved and signed April 23rd 2020

4 Jesse Avitia
5 Jesse Avitia, President

6 Leon Valdez
7 Leon Valdez, Vice-president

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10 Delainah Medina, Member

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12 Belinda Bonilla, Secretary
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C E R T I F I C A T E

I, Peggy S. LaLonde, a competent and duly qualified court reporter, do hereby certify that I did report in machine shorthand the foregoing proceedings and that my shorthand notes so taken at said time and place were thereafter reduced to typewriting under my personal direction.

I further certify that the foregoing typewritten transcript constitutes minutes of the said proceedings taken at said time and place, so ordered to be transcribed.

Dated at Munster, Indiana, this 28th day of February, 2020.

Peggy S. LaLonde



Peggy S. LaLonde, CSR, RPR

