

**Sponsor: Anthony Higgs  
3<sup>rd</sup> District Councilman**

**ORDINANCE NO. 9328**

**ORDINANCE OF THE COMMON COUNCIL OF THE  
CITY OF HAMMOND, INDIANA AUTHORIZING AND APPROVING A  
PILOT AGREEMENT FOR THE SOHL AVENUE RESIDENTIAL CARE PROJECT**

WHEREAS, the City of Hammond, Indiana (the “City”) is a duly organized municipal corporation and political subdivision under the laws of the State of Indiana, governed by its duly elected Common Council (the “Common Council”);

WHEREAS, Sohl Avenue RCF, LP (the “Developer”) desires to acquire, develop, construct and operate an affordable residential care multi-family housing apartment project on the 4.7 acre site located at 5620 Sohl Avenue on the northwest corner of Sohl Avenue and Hyles Boulevard in the City, to be known as the Sohl Avenue Residential Care Facility (the “Project”) to develop, construct and make available the Project for the purpose of providing decent, safe, sanitary, affordable residential care facilities for the elderly low-income residents of the City and surrounding area;

WHEREAS, the Project will be developed, constructed and operated for the purpose of providing housing to income eligible persons under the federal low income housing tax credit program under 26 U.S.C. 42 (the “Section 42 Property”);

WHEREAS, the Project, as a Section 42 Property, will be subject to an extended use agreement under 26 U.S.C. 42 (the “Extended Use Agreement”) as administered by the Indiana Housing and Community Development Authority (the “IHCDA”) for a period of at least fifteen (15) years;

WHEREAS, pursuant to the IHCDA Extended Use Agreement the Project, as a Section 42 Property, will only make available and rent to residents whose income is 60% or less of the area median gross income (the “Restricted Residents”);

WHEREAS, pursuant to the IHCDA Extended Use Agreement, the Project, as a Section 42 Property will be limited to charges rents as determined in accordance with the IHCDA Extended Use Agreement (the “Restricted Rents”) and in no event will such Restricted Rents exceed 18% of the area median gross income;

WHEREAS, the IHCDA limitations as to Restricted Residents and Restricted Rents set forth in the IHCDA Extended Use Agreement will cause the Project, as a Section 42 Project, to be qualify as low income housing that accomplishes a chartable purpose by relieving the poor

and distressed under Internal Revenue Service Revenue. Procedure. 96-32 (collectively referred to as “Charitable Low Income Housing”);

WHEREAS, the Project, as a Section 42 Project providing Charitable Low Income Housing, may be exempt from property tax under IC 6-1.1-10-16(a);

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WHEREAS, the Developer, as an owner of a Section 42 Project providing Charitable Low Income Housing, will qualify as a “property owner” under IC 36-1-8-14.2(c);

WHEREAS, the Developer has agreed to make certain payment-in-lieu-of-taxes (the “PILOT Agreement”);

WHEREAS, the City is authorized to enter into this PILOT Agreement pursuant to IC 36-1-3 et seq and IC 36-1-8-14.2 et seq; and

WHEREAS, in order to provide for the orderly and timely development of the Project, the Developer and the City have negotiated and agreed to a PILOT Agreement which has been presented to the Common Council for its ratification; and

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF HAMMOND, INDIANA, AS FOLLOWS:

Section 1. The Common Council hereby ratifies and approves the PILOT Agreement and acknowledges and ratifies its execution and delivery by the Mayor, City Controller and President of the Common Council on behalf of the City, all for the purposes contemplated herein.

Section 2. The PILOT Agreement, in substantially the form attached hereto as Exhibit A, is hereby authorized to be executed and delivered by the President of this Common Council on behalf of the Common Council, with such changes thereto as provided, upon the advice of the Corporation Council of the City, may approve, as conclusively evidenced by the execution thereof.

Section 3. The City Clerk is hereby directed to record an executed copy of this Ordinance and a copy of the executed PILOT Agreement with the Lake County Recorder's Office and file the recorded Ordinance and PILOT Agreement with the City Controller's Office, the Lake County Assessor's Office, the Lake County Auditor's Office and the Lake County Treasurer's Office.

Section 4. This Ordinance shall be effective upon adoption and passage.

BE IT FURTHER ORDAINED by the Hammond Common Council that this Ordinance shall be in full force and effect from and after its passage by the Common Council, signing by the President thereof and approval by the Mayor.

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ADOPTED AND APPROVED BY the Common Council of the City of Hammond, Indiana, this 14<sup>th</sup> day of December, 2015.

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Michael Opinker, President /s/  
Hammond Common Council

ATTEST:

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Robert J. Golec, City Clerk /s/  
City of Hammond, Indiana

PRESENTED BY ME, the undersigned City Clerk of the City of Hammond, Indiana, to the Mayor, for approval and signature, this 15<sup>th</sup> day of December, 2015.

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Robert J. Golec, City Clerk /s/  
City of Hammond, Indiana

The foregoing Ordinance No. 9328 consisting of three (3) typewritten pages, including this page, was APPROVED AND SIGNED BY ME, the undersigned Mayor of the City of Hammond, Indiana, this 21<sup>st</sup> day of December, 2015.

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Thomas M. McDermott, Jr., Mayor /s/  
City of Hammond, Indiana

PASSED by the Common Council on the 14<sup>th</sup> day of December, 2016, and approved by the Mayor on the 21<sup>st</sup> day of December, 2015.

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Robert J. Golec, City Clerk /s/  
City of Hammond, Indiana

**EXHIBIT A**

**PILOT Agreement**