

Highland Gardens Resolution - Travaux
Background information

Resolution: APPROVING THE HOUSING AUTHORITY OF THE CITY OF MILWAUKEE TO TAKE ALL ACTIONS NECESSARY IN CONNECTION WITH THE REHABILITATION AND RESTRUCTURING OF HIGHLAND GARDENS INCLUDING SERVING AS GUARANTOR FOR ALL LOANS AND TAX CREDIT INVESTMENTS RELATED THERETO AND AS DEVELOPER FOR HIGHLAND GARDENS

The attached resolution authorizes the HACM executive director and as Travaux president to sign and execute all documents necessary in connection with Refinancing and Rehabilitation of Highland Gardens, a 114 Multifamily building [the Project]. This is a RAD converted project and have already exited the 15-year tax credit compliance period. This project is currently owned by HACM 99%, and Travaux 1% after the investor exited from the project ownership. In 2023, HACM received tax credit allocation to rehabilitate the project – add 2 new elevators and address deferred capital needs. PNC and Sugar Creek are the tax credit equity investor and WHEDA is providing construction and permanent loan financing. Total development cost is about \$25.3mm with rehab cost of about \$8.8mm.

This project is currently owned by Highland Park Community LLC, [project owner] where HACM and Travaux, Inc. are the substitute Limited Member and Highland Park Development LLC, [where HACM is the sole member] as the Manager Member.

Pursuant to Resolution R13432 adapted in November 2023, HACM authorized, among other things, the refinancing and rehabilitation of the Project and the formation of a new owner of the Project – Highland Gardens LLC, with Highland Gardens Development LLC [with HACM as the sole member] as the Managing Member.

As part of the financial closing, our counsel is required to issue a legal opinion on the contemplated financial transaction. Hence, the necessity to adapt this **resolution** with specific provisions that will align with legal opinion to be issued. Presented as part of this package also are 2 resolutions, once for each Managing member that will be signed by HACM executive in his capacity as authorized officer of Highland Park Development LLC, Managing Member of the current owner of the Project, and Highland Gardens Development LLC, Managing Member of the company that will acquire the Project. These 2 resolutions are provided for additional information.

We are expecting to close this project by 9/1/2024 and start rehab thereafter, subject of course to the receipt of HUD approval to close.

Attachments:

1. Highland Park Development LLC Resolution -APPROVING HIGHLAND PARK DEVELOPMENT, LLC TO TAKE ALL ACTIONS NECESSARY IN CONNECTION WITH THE TRANSFER OF HIGHLAND GARDENS TO THE HOUSING AUTHORITY OF THE CITY OF MILWAUKEE AND THE ASSIGNMENT OF HUD DOCUMENTS TO HIGHLAND GARDENS, LLC
2. Highland Gardens Development LLC Resolution- APPROVING HIGHLAND GARDENS DEVELOPMENT LLC, AS SOLE MANAGING MEMBER OF HIGHLAND GARDENS LLC, TO AUTHORIZE THE ASSUMPTION OF ALL HUD DOCUMENTS FROM HIGHLAND PARK COMMUNITY, LLC, THE ACQUISITION OF THE HIGHLAND GARDENS PROJECT, THE EXECUTION OF ALL LOAN DOCUMENTS RELATED TO THE REFINANCE AND RESTRUCTURING OF THE HIGHLAND GARDENS PROJECT AND THE ADMISSION OF INVESTORS TO HIGHLAND GARDENS, LLC