

ATTACHMENT A
TERM SHEET

City of Milwaukee financial assistance to the 30th Street Industrial Corridor Corporation or assignee to support redevelopment of residential properties in Garden Homes and nearby neighborhoods.

Project

The project shall consist of the acquisition and redevelopment of approximately 25 City-owned tax foreclosed properties in the Garden Homes and nearby neighborhoods in the 30th Street Industrial Corridor. The 30th Street Industrial Corridor Corporation in partnership with Impact Seven or Assignee ("Developer") will apply for Low Income Housing Tax Credits in December 2019 to finance the project. Should the application for tax credits result in an award in spring 2020, the City will sell properties to the Developer and supply a Challenge Fund grant of \$240,000 to support the project.

Should Developer's application for tax credits not result in an award in spring 2020, the properties will be returned to the market and the Challenge Grant funds will not be provided to Developer, but will be applied to other City housing programs that support redevelopment of tax-foreclosed properties.

Developer Responsibilities

- Developer will purchase and redevelop the following properties ("Properties" as affordable rental housing: 3724 North 27th Street, 3726 North 28th Street, 3743 North 26th Street, 3744-46 North 27th Street, 4012 North 24th Place, 4130 North 27th Street, 4320 North 29th Street, 4366 North 26th Street, 4369 North 26th Street, 4401 North 26th Street, 4412 North 30th Street, 4423 North 25th Street, 4431 North 25th Street, 4437-4441 North 25th Street, 4447 North 26th Street, 4481 North 25th Street, 2614 West Port Sunlight Way, 3747 North 24th Street, 3758 North 23rd Street, 3761 North 24th Street, 3828 North 23rd Street, 3838 North 23rd Street, 3948 North 22nd Street, 3843 North 22nd Street ("Project")).
- With the approval of the Department of City Development ("DCD"), Developer may substitute other properties as needed.
- Developer will apply to the Wisconsin Housing and Economic Development Authority for an allocation of Low Income Housing Tax Credits ("LIHTC") in December 2019.
- Should the Developer receive an allocation of LIHTC, Developer will enter into a Purchase and Sale Agreement (PASA) for the Properties no later than October 31, 2020.
- Prior to entering into the PASA, Developer will provide to DCD a detailed scope of work for each property and a budget detailing total project costs to, minimally, bring the Properties into full code compliance.
- Prior to entering into the PASA, Developer will provide evidence of financing commitment to finance the redevelopment of the Properties.

- Developer will make best efforts to engage certified Small Business Enterprises for at least 40 percent of renovation contract dollars.
- Developer will make best efforts to engage RPP-certified workers perform at least 200 hours of work for each property.
- Beginning on the date the Common Council approves the sale of the Properties and award of the Challenge Grant funds until sale of the Properties closes, Developer shall monitor the condition of the Properties on a bi-weekly basis, providing written reports on the condition thereof to DCD's real estate section and immediately reporting significant changes in condition to DCD.

City Responsibilities

- City Real Estate office will reserve the Properties for the Project and sell them to Developer for \$1.00/property, plus normal closing costs of approximately \$700 per property and listing broker fees (if any).
- City will provide Challenge Grant funds ("Grant") of up to \$240,000 to provide gap financing for the redevelopment of Properties. Grant may be used only for property renovation expenses at the properties purchased from the City.
- Grant funds will be provided as reimbursement to Developer, following completion of property renovation and issuance of a Certificate of Code Compliance by the Department of Neighborhood Services. Documentation of actual renovation expenses, SBE utilization, and RPP participation must be provided to DCD prior to reimbursement.

Financial Statements

Developer shall keep accurate, full and complete books and accounts for activity under the program. Developer shall grant to the City, or its designees, access to its records pertaining to the project to conduct reviews of activity under the program.

Sale and Development Agreement

This term sheet does not constitute an agreement between the City and the Developer. Should the Developer receive a LIHTC allocation in spring 2020, the terms set forth herewith and any other requirements necessary for a transaction of this sort shall be incorporated into a PASA to be entered into between the Developer and the City no later than October 31, 2020. The Agreement will have a one-year term. Extensions may be granted by the Commissioner of DCD based on performance.