



Legislation Text

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R13003

Original

Resolution No. 12984

The Chair

Resolution approving an Operating Agreement of National Soldiers Home Residences I, LLC, between the Housing Authority of the City of Milwaukee and the Alexander Company, Inc. in connection with development, rehabilitation and long-term use of Building 2 of the Clement J. Zablocki Medical Center

WHEREAS, The Housing Authority of the City of Milwaukee ("HACM") and The Alexander Company ("TAC") are jointly interested in establishing and co-managing a 101-unit affordable rental housing development for occupancy by veterans and their families who are homeless or at-risk of homelessness (the "Project"), located at 5000 West National Avenue; and

WHEREAS, in 2017 HACM and TAC executed a Memorandum of Understanding ("MOU"), agreeing to cooperate in good faith and in a commercially reasonable manner to cause the rehabilitation and operation of the Project; and

WHEREAS, it is anticipated that the Project will obtain a hybrid allocation of 9% and 4% federal low-income housing tax credits from the Wisconsin Housing and Economic Development Authority ("WHEDA"); and

WHEREAS, significant discussions between TAC and HACM have resulted in an Operating Agreement of National Soldiers Home Residences I, LLC building from the terms of the previously approved MOU; and

WHEREAS, the purpose of National Soldiers Home Residences I, LLC will be to implement the concurrent development of the Project under a hybrid structure through two newly created limited liability companies (one for the anticipated 4% tax credit and one for the anticipated 9% tax credit); and

WHEREAS, the Operating Agreement of National Soldiers Home Residences I, LLC sets forth the limited liability company's initial business activities, the rights and obligations of TAC and HACM (as the members of the limited liability company), and the anticipated fundamental terms of the 4% and 9% tax credit LLCs; and

WHEREAS, through the Operating Agreement of National Soldiers Home Residences I, LLC, HACM agrees to be primarily responsible for obtaining and administering Project-based HUD VASH vouchers for the Project and for causing a Company to be engaged as property manager; and

WHEREAS, TAC has agreed to be primarily responsible to provide services relating to the design, permitting and rehabilitation of the Project; to prepare applications for each of the Funding Sources and take such other commercially reasonable actions as may be necessary for the Company to obtain the required Funding Sources for the Project; and

WHEREAS, it is anticipated that the Veterans Administration Enhanced Use Lease (EUL) associated with the Project will be amended to reflect the hybrid 4% and 9% structure; and

WHEREAS, the Operating Agreement of National Soldiers Home Residences I, LLC will become effective upon execution by both parties and will continue until terminated; now, therefore, be it

RESOLVED, by the Housing Authority of the City of Milwaukee that the Operating Agreement of National Soldiers Home Residences I, LLC is approved and HACM Executive Director Antonio Pérez or his designee(s) are authorized to sign the Operating Agreement and to negotiate the terms of the anticipated 4% and 9% project operating agreements and the amended EUL.

Housing Management, October 5, 2018

