



Legislation Text

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R13106

Original

The Chair

Resolution approving Merrill Park Development LLC, as sole and managing member of Merrill Park LLC, to authorize the RAD Conversion of Merrill Park, the execution of all loan documents related to the RAD Conversion of Merrill Park and the admission of the Investor Member and Special Investor Member to Merrill Park LLC

WHEREAS, the Housing Authority of the City of Milwaukee (the “**Authority**”) is currently the owner of a 120-unit public housing located at 222 N. 33rd Street, Milwaukee, Wisconsin, known as Merrill Park (“**Merrill Park**” or the “**Project**”);

WHEREAS, as approved by a duly adopted resolution dated March 15, 2018 (the “**March 2018 Resolution**”), the Authority’s Board of Commissioners (the “**Commissioners**”) approved the conversion of all of the Authority’s public housing developments (each, a “**Public Housing Development**”), including Merrill Park, from public housing operating assistance to RAD Section 8 project based voucher (“**PBV**”) assistance under Section 8(o)(13) of the United States Housing Act of 1937, as amended, under the U.S. Department of Housing and Urban Development (“**HUD**”)’s Rental Assistance Demonstration (RAD) program (the “**RAD Conversion**”);

WHEREAS, pursuant to the March 2018 Resolution, a limited liability company that owns a Public Housing Development (an “**LLC Owner**”) that is subject to a RAD Conversion, shall be managed by a limited liability company, the sole member and managing member of which shall be the Authority (the “**LLC Owner Managing Member**”);

WHEREAS, as approved by a duly adopted resolution of the Commissioners dated November 14, 2018 (the “**November 2018 Resolution**”), the Commissioners confirmed and authorized the creation of an LLC Owner for Merrill Park and approved the submission of a Financing Plan Proposal to HUD for the Merrill Park RAD Conversion;

WHEREAS, Merrill Park LLC, a Wisconsin limited liability company (“**Merrill Park LLC**”) was formed as the LLC Owner of Merrill Park pursuant to Articles of Organization (the “**Articles**”), filed August 12, 2019 with the State of Wisconsin Department of Financial Institutions;

WHEREAS, Merrill Park LLC was organized for the purpose, among others, of acquiring, rehabilitating, developing, owning and operating Merrill Park;

WHEREAS, pursuant to a Special Warranty Deed from the Authority, as grantor, and Merrill Park LLC, as grantee (the “**Deed**”), Merrill Park LLC shall acquire a fee interest in the Project, as well as certain real property and other buildings and improvements situated thereon, as more particularly described on Exhibit A attached hereto (the “**Property**”) as part of the RAD Conversion;

WHEREAS, Merrill Park Development LLC, a Wisconsin limited liability company (“**Merrill Park Development**”) was formed to be the Managing Member of Merrill Park LLC, pursuant to Articles of Organization (the “**Articles**”), filed August 12, 2019 with the State of Wisconsin Department of Financial Institutions;

WHEREAS, the Housing Authority of the City of Milwaukee (the “**Authority**”) is the sole member and managing member of the Merrill Park Development LLC, a Wisconsin limited liability company (the “**Company**”) pursuant to that certain Operating Agreement for the Company effective August 12, 2019 (the “**Operating Agreement**”), adopted by resolution dated November 14, 2019;

WHEREAS, the Company is the sole member and managing member of Merrill Park LLC pursuant to that certain Operating Agreement for Merrill Park LLC, effective August 12, 2019 adopted by resolution dated November 14, 2019;

WHEREAS, the Rental Assistance Demonstration program ("**RAD**") permits public housing authorities to redevelop public housing and is a key component of the U.S. Department of Housing and Urban Development ("**HUD**")'s plan for preserving affordable rental housing, encouraging greater efficiency among HUD programs, and building viable communities;

WHEREAS, the Wisconsin Housing and Economic Development Authority ("**WHEDA**") provides awards of low-income housing tax credits pursuant to Section 42 of the internal Revenue Code to meet the affordable housing and community development needs of low and moderate income persons;

WHEREAS, pursuant to the November 2018 Resolution the Commissioners the Authority submitted an application for and was awarded low-income housing tax credits for the rehabilitation of 100 units within the Project;

WHEREAS, in connection with the RAD Conversion the Company, the Authority and HUD will enter into that certain RAD Conversion Commitment (the "**RCC**") to be issued prior to closing on the Project;

WHEREAS, in connection with the rehabilitation of the Project, Merrill Park LLC shall receive a loan from WHEDA in the approximate principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000) or such other amount as deemed acceptable by the Secretary-Executive Director of the Authority (the "**WHEDA Loan**");

WHEREAS, in connection with the rehabilitation of the Project, Merrill Park LLC has secured or is attempting to secure a loan from Associated Bank ("**Associated Bank**") in the approximate principal amount of Six Million Dollars (\$6,000,000) or such other amount as deemed acceptable by the Secretary-Executive Director of the Authority (the "**Associated Bank Loan**");

WHEREAS, in connection with the rehabilitation of the Project, Merrill Park LLC shall receive a federal funds construction/permanent loan from the Authority in an amount not less than Three Million Dollars (\$3,000,000) for construction financing and not less than Two Million Nine Hundred Fifty-Two Thousand Seven Hundred Sixty-Seven Dollars (\$2,952,767) for permanent financing, or such other amount as deemed acceptable by the Secretary-Executive Director of the Authority (the "**Authority Federal Funds Loan**"), and an acquisition loan from the Authority in the approximate principal amount of Three Million Six Hundred Ninety Thousand Dollars (\$3,690,000) or such other amount as deemed acceptable by the Secretary-Executive Director of the Authority (the "**Authority Land Loan**") (collectively the "**Authority Loans**");

WHEREAS, in connection with the rehabilitation of the Project, pursuant to the letter of intent dated July 25, 2019, and any amendments thereto (the "**Letter of Intent**"), issued by RBC Capital Markets the manner and pursuant to the terms and conditions described in the Letter of Intent, RBC Tax Credit Equity, LLC, an Illinois limited liability company ("**RBC**"), in will invest as investor member of Merrill Park LLC (the "**Investor Member**") and RBC Tax Credit Manager II, Inc., a Delaware corporation will invest as special investor member (the "**Special Investor Member**"); and

WHEREAS, in connection with the rehabilitation of the Project, the Company Investor Member and Special Investor Member desire to enter into an Amended and Restated Operating Agreement for Merrill Park LLC (the "**Amended and Restated Operating Agreement**"), and various other agreements, certificates and documents required thereunder or described therein.

NOW, THEREFORE, BE IT RESOLVED, that the Company in its own capacity and as Managing Member of Merrill Park LLC is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all documents to acquire the Property and to negotiate, enter into, execute and deliver all agreements, instruments, certificates and documents required thereunder or in connection therewith (the "**Acquisition Documents**"), and to perform all of its obligations thereunder, and to consummate the transaction contemplated thereby, and such actions heretofore taken by the Company related thereto are hereby approved and ratified; and be it

FURTHER RESOLVED, that the Company in its own capacity and as Managing Member of Merrill Park LLC is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all documents in connection with the RAD Conversion, including, but not limited to, the RCC, RAD PBV Housing Assistance Payments Contract (the "**RAD HAP**"), the RAD Use Agreement, Certification and Assurances, Consolidated Owner's Certification, Release from Declaration of Trust, Management Agreement, Management Plan (the "**RAD Documents**"), and to consummate the transactions contemplated thereby, and such actions heretofore taken by the Company related thereto are hereby approved and ratified; and be it

FURTHER RESOLVED, that the Company in its own capacity and as Managing Member of Merrill Park LLC is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all documents in connection with the Associated Bank Loan, including, but not limited to the Loan Agreement, Mortgage and Note (the "**Associated Bank Loan Documents**"); and to consummate the transaction contemplated thereby, and such actions heretofore taken by the Company related thereto are hereby approved and ratified; and be it

FURTHER RESOLVED, that the Company in its own capacity and as Managing Member of Merrill Park LLC is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all documents in connection with the WHEDA

Loan, including, but not limited to, the Loan Agreement, Note and the Land Use Restriction Agreements (the “**WHEDA Loan Documents**”); and to consummate the transaction contemplated, and such actions heretofore taken by the Company related thereto are hereby approved and ratified; and be it

FURTHER RESOLVED, that the Company in its own capacity and as Managing Member of Merrill Park LLC is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all documents in connection with the Authority Loans, including, but not limited to, Loan Agreement, Mortgages and Notes (the “**Authority Loan Documents**”); and to consummate the transaction contemplated thereby, and such actions heretofore taken by the Company related thereto are hereby approved and ratified; and be it

FURTHER RESOLVED, that the Company in its own capacity and as Managing Member of Merrill Park LLC is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all documents in connection with the admission of Investor Member and Special Investor Member into Merrill Park LLC, including, but not limited to, the Amended and Restated Operating Agreement continuing the operation of Merrill Park LLC; and be it

FURTHER RESOLVED, that the that the Company in its own capacity and as Managing Member of Merrill Park LLC is hereby authorized, empowered, and directed to execute deliver, file, and publish any required certificates with the State of Wisconsin; and be it

FURTHER RESOLVED, that the Company in its own capacity and as Managing Member of Merrill Park LLC is hereby authorized, empowered, and directed to execute and deliver all other Project investment closing documents specified in RBC’s closing checklist, as the same may be modified and supplemented by RBC for the Project (the “**Checklist**”) or otherwise requested by RBC in connection with its investment in the Company; and be it

FURTHER RESOLVED, that the Company be and it is hereby authorized, empowered, and directed to furnish to RBC all due diligence materials specified in the Checklist or otherwise requested by RBC in connection with its investment in the Company; and be it

FURTHER RESOLVED, that the Secretary-Executive Director of the Authority, or his designee, are hereby authorized, empowered, and directed to execute and deliver all documents, and that such officers or staff of the Company be and are thereby authorized, empowered, and directed to furnish all materials, necessary to consummate the formation of the Company and the investment by Investor Member and Special Investor Member thereof, in accordance with the Letter of Intent, the Checklist, and the foregoing resolutions, and that any previous execution and delivery or furnishing of documents and materials by such officers or staff be and it is hereby authorized, confirmed, and ratified; and be it

FURTHER RESOLVED, that the Secretary-Executive Director of the Authority or his designee, is hereby authorized, empowered and directed to take any and all such action on behalf of the Company as deemed necessary or desirable by the Secretary- Executive Director of the Authority in connection with the RAD Conversion; and be it

FURTHER RESOLVED, that the Secretary-Executive Director of the Authority, or his designee, is hereby authorized, empowered, and directed to take such further action on behalf of the Company as they deem necessary to effectuate the foregoing.

[Signature on following page]

These Resolutions are effective as of _____, 2019.

MANAGING MEMBER:

MERRILL PARK DEVELOPMENT LLC,
a Wisconsin limited liability company

By: Housing Authority of the City of Milwaukee, a Wisconsin public body corporate
and politic, its Managing Member

By: Antonio M. Pérez

Secretary and Executive Director

Housing Management, November 4, 2019