



## Legislation Text

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**File #: R13218, Version: 0**

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13218

Original

The Chair

Resolution approving the application to the Federal Home Loan Bank of Chicago for a grant under its Affordable Housing Program in the amount of \$689,885 and authorizing the Authority to make a loan to Holton Terrace LLC in the amount of \$689,885 to support the development of Holton Terrace

**WHEREAS**, Holton Terrace (the “**Project**”) is owned by Holton Terrace LLC, a Wisconsin limited liability company (the “**Company**”);

**WHEREAS**, the Housing Authority of the City of Milwaukee (the “**Authority**”) is the sole and managing member (the “**Managing Member**”) of Holton Terrace Development LLC, a Wisconsin limited liability company (“**Holton Terrace Development**”), the sole and managing member of the Company;

**WHEREAS**, pursuant to a duly adopted resolution dated June 5, 2019 the Authority’s Board of Commissioners (the “**Authority’s Board**”) approved the rehabilitation of Holton Terrace under the U.S. Department of Housing and Urban Development’s Rental Assistance Demonstration (RAD) program;

**WHEREAS**, closing for the Project occurred on or about July 8, 2019 (the “**Closing**”), and construction began shortly thereafter;

**WHEREAS**, in an effort to cover the additional rehabilitation costs at the Project the Authority, as sponsor for the Project, submitted an application to the Federal Home Loan Bank of Chicago (the “**FHLB-Chicago**”) on behalf of the Company for a grant under its Affordable Housing Program (the “**Application**”);

**WHEREAS**, Associated Bank, National Association, a national banking association (“**Associated**”), which is a member of FHLB-Chicago, agreed to sponsor the Application;

**WHEREAS**, pursuant to a letter dated November 20, 2019, the Authority, as the Project’s sponsor was awarded a grant for the Project in the amount of \$689,885, which shall be provided by Associated (the “**AHP Grant**”);

**WHEREAS**, the Authority now desires to use the AHP Grant to make a loan secured by a mortgage to Holton Terrace LLC in the principal amount of \$689,885 (the “**AHP Loan**”) to fund the rehabilitation expenses and pay down a portion of the construction/permanent loan that the Authority made to the Project at Closing; and

**WHEREAS**, in connection with the issuance of the AHP Loan to the Company, the Company, RBC Tax Credit Equity Fund-99, Limited Partnership, a Delaware limited partnership (the “**Investor Member**”) and RBC Community Investments Manager II, Inc. (the “**Special Investor Member**”, and together with Investor Member, “**RBC**”), also desire to amend the Amended and Restated Operating Agreement for the Company to memorialize the issuance of the AHP Loan.

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority, in its own capacity, as applicable, and in its capacity as Managing Member of Holton Terrace Development, is hereby authorized, empowered, and directed to enter into, execute, and deliver, any and all documents in connection with the AHP Grant and AHP Loan, including, but not limited to the Repayment and Retention Agreement for Rental Projects, Promissory Note, Collateral Assignment of Mortgage and Loan Documents, AHP Funding Agreement, Subordination Agreement, and the Agreement to Subordinate to RAD Use Agreement (the “**AHP Loan Documents**”), and to perform all of its obligations thereunder, and to consummate the transaction contemplated thereby, and such actions heretofore taken by the Authority as they pertain to the Authority and the Authority’s interest in Holton Terrace Development are hereby approved and ratified; and be it

**FURTHER RESOLVED**, that the Authority, in its own capacity, as applicable, and in its capacity as Managing Member of Holton Terrace Development, is hereby authorized, empowered, and directed to enter into, execute, and deliver, any and all documents

in connection with amending the Company's Amendment and Restated Operating Agreement, including, without limitation, the First Amendment to Amended and Restated Operating Agreement of Holton Terrace LLC (the "**Investor Documents**"), as they pertain to the Authority and/or the Authority's interest in Holton Terrace Development; and be it

**FURTHER RESOLVED**, that the Secretary-Executive Director of the Authority, or his designee, is hereby authorized, to enter into, execute, and deliver, any and all AHP Loan Documents and Investor Documents as they pertain to the Authority and/or the Authority's interest in Holton Terrace Development; 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 Authority in its own capacity, as applicable, and as Managing Member of Holton Terrace Development, as deemed necessary or desirable by the Secretary-Executive Director in connection with the issuance of the AHP Loan and AHP Grant; and be it

**FURTHER RESOLVED**, that all acts previously performed, relative to this matter, by the Authority's Board and the Secretary-Executive Director of the Authority, be and hereby are approved, ratified and confirmed in all respects.

Housing Management, Kaylin Nuss, Director Strategic Initiatives, 4/9/2021