



Legislation Text

File #: R13219, **Version:** 0

13219

Original

Tha Chair

Resolution approving Holton Terrace Development LLC, as Managing Member of Holton Terrace LLC, approval and authorization for Holton Terrace LLC to accept a loan from the Authority in the amount of \$689,885 utilizing funds from an Affordable Housing Program grant from the Federal Home Loan Bank of Chicago to support the development of Holton Terrace

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

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

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 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**") 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 Holton Terrace LLC, Holton Terrace LLC, 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 Holton Terrace LLC to memorialize the issuance of the AHP Loan.

NOW, THEREFORE, BE IT RESOLVED, that the Company, in its capacity as managing member of Holton Terrace LLC 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, Mortgage (AHP Loan), Mortgage Note (AHP), Collateral Assignment of Mortgage and Loan Documents, AHP Funding Agreement, Subordination Agreement, First Amendment to Disbursing Agreement, and 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 Company; and be it

FURTHER RESOLVED, that the Company, in its capacity as managing member of Holton Terrace LLC, is hereby authorized, empowered, and directed to enter into, execute, and deliver, any and all documents in connection with amending the Amended and Restated Operating Agreement of Holton Terrace LLC, including, without limitation, the First Amendment to Amended and Restated

Operating Agreement of Holton Terrace LLC (the "**Investor Documents**") and to perform all of its obligations thereunder, and to consummate the transaction contemplated thereby, and such actions heretofore taken by the Company; and be it

FURTHER RESOLVED, that the Secretary-Executive Director of the Authority, or his designee, is hereby authorized, empowered and directed to enter into, execute, and deliver, any and all AHP Loan Documents and Investor Documents as they pertain to the Authority's interest in the Company; 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, 4/9/2021