



City of West Allis

7525 W. Greenfield Ave.
West Allis, WI 53214

Resolution

File Number: R-2011-0193

Final Action: 9/6/2011

Sponsor(s): Administration & Finance Committee

Resolution to authorize the Beloit Road Senior Housing Complex renovation project.

WHEREAS since the 1940's, the City of West Allis (the "City") has owned and operated the Beloit Road Senior Housing Complex, located at 7205-7333 W. Beloit Rd., 2521-2529 S. 72 St., 7216-7312 W. Dreyer Place and 7211-7341 W. Dreyer Place (the "Property"), as listed in Exhibit A, and has offered units as an affordable housing option for senior members of the community by collecting rent payments at 30% of an individual's income; and,

WHEREAS, the Community Development Authority of the City of West Allis (the "Authority"), by the Department of Development, manages the Property; and,

WHEREAS the Property's mission of affordable senior housing qualified for the Section 42 Tax Credit program administered by the Wisconsin Housing and Economic Development Authority ("WHEDA"); and,

WHEREAS, through a competitive process, on April 21, 2011, WHEDA awarded Section 42 tax credits to the Property and the Authority for equity and investment towards the remodel of the Property, which would enhance and preserve the units and structures for current and future residents while maintaining the affordability of each living unit; and,

WHEREAS, the Authority will remain involved in the management and ownership structure of the Section 42 tax credit Beloit Road Senior Housing Complex project; and,

WHEREAS, the City intends to sell the Property to Beloit Road Senior Apartments, LLC (the "Project Owner"). Beloit Road Senior Apartments MM, LLC (the "Managing Member") is the managing member of the Project Owner. The Authority is the sole member of the Managing Member; and,

WHEREAS, the Project Owner is developing an affordable housing project (the "Project") on the Property; and,

WHEREAS, the Project Owner intends to admit an equity investor (the "Investor") in the Project Owner and the Investor will require the City to provide the Authority certain guaranties in connection with the Project; and,

WHEREAS, John F. Stibal is the Director of the Department of Development of the City (the

“Director of Development”) and recommends the Project as described above.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of West Allis:

1. That the actions of the Director of Development to date in connection with the acquisition, construction, financing and development of the Project are hereby ratified and confirmed; and,
2. That the Director of Development, or his designee, with the approval of the City Administrative Officer, Clerk/Treasurer, or his designee, the City Attorney, or his designee, and the Mayor, or his designee, is hereby authorized and directed to cause the City to sell the Property to the Project Owner, upon Common Council approval of the sale of the Property after required public hearing of sale of such land, such terms as he deems necessary or desirable, and to take any and all actions on behalf of the City in connection therewith including, without limitation, negotiating, executing, delivering and performing obligations under any and all documents in connection therewith including, without limitation, purchase contracts, deeds, transfer returns, closing statements, affidavits and certificates; and is hereby authorized and directed to exercise, on the behalf of the Authority, the right of first refusal to purchase the Property at the end of the compliance period, per Section 42(i)(7) of the IRS Code.
3. That the City Administrative Officer, Clerk/Treasurer, or his designee, and the Mayor, or his designee, are hereby authorized and directed to cause the City to guaranty any obligations of the Project Owner, the Managing Member and/or the CDA in connection with the Project, upon such terms as he deems necessary or desirable, and to take any and all actions in connection therewith, including, without limitation, negotiating, executing, delivering and performing obligations under any and all documents in connection therewith including, without limitation, guaranties.
4. That the Director of Development, or his designee, with the approval of the City Administrative Officer, Clerk/Treasurer, or his designee, the City Attorney, or his designee, and the Mayor, or his designee, is hereby authorized and directed to cause the City to lend up to \$9,500,000 to the Project Owner, in one or more loans, for purposes of providing construction and/or permanent financing for the Project, upon such terms as he deems necessary or desirable, and to take any and all actions in connection therewith including, without limitation, negotiating, executing, delivering and performing obligations under any and all documents in connection therewith including, without limitation, loan commitments, loan agreements, mortgages, notes, guaranties, security agreements, escrow agreements, certificates, affidavits, assignment agreements, pledges, disbursing agreements, subordination agreements, environmental agreements, indemnification agreements, land use restriction agreements, operating reserve agreements, replacement reserve agreements, working capital agreements, grant agreements and financing statements.
5. That the Director of Development, or his designee, with the approval of the City Administrative Officer, Clerk/Treasurer, or his designee, the City Attorney, or his designee, and the Mayor, or his designee, is hereby authorized and directed to take any and all other actions on behalf of the City which he deems necessary or desirable in connection with the Project including, without limitation, negotiating, executing, delivering and performing obligations under any and all documents in connection with the Project including, without limitation, development agreements, property management agreements, consulting agreements, escrow agreements, certificates,

affidavits, reimbursement agreements and assignment agreements.

6. That the Director of Development, or his designee, with the approval of the City Administrative Officer, Clerk/Treasurer, or his designee, the City Attorney, or his designee, and the Mayor, or his designee, is hereby authorized and directed to take any and all other actions deemed necessary or desirable by him to effectuate the intent of the foregoing Resolutions.

7. That the City Attorney be and is hereby authorized to make such substantive changes, modifications, additions and deletions to and from the various provisions of any and all loan commitments, loan agreements, mortgages, notes, guaranties, security agreements, escrow agreements, certificates, affidavits, assignment agreements, pledges, disbursing agreements, subordination agreements, environmental agreements, indemnification agreements, land use restriction agreements, operating reserve agreements, replacement reserve agreements, working capital agreements, grant agreements and financing statements, development agreements, property management agreements, consulting agreements, escrow agreements, certificates, affidavits, reimbursement agreements, assignment agreements, attachments, exhibits, addendums, amendments and/or any other documents pertaining to the Beloit Road Senior Housing Complex renovation project, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

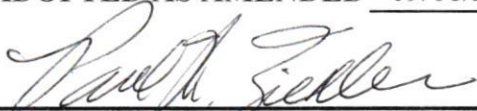
Cc: Development Department
Scott Post, City Attorney
Chris Phinney, Grant Accounting Specialist
Kris Moen, Acting Comptroller/Manager of Finance

DEV-R-649-9-6-11-AMENDED

Exhibit A

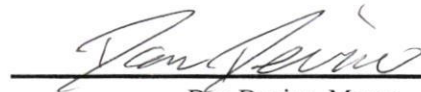
7205-7213 West Beloit Road, West Allis, Wisconsin
7225-7233 West Beloit Road, West Allis, Wisconsin
7245-7253 West Beloit Road, West Allis, Wisconsin
7305-7313 West Beloit Road, West Allis, Wisconsin
7235-7333 West Beloit Road, West Allis, Wisconsin
2521-2529 South 72nd Street, West Allis, Wisconsin
7216-7224 West Dreyer Place, West Allis, Wisconsin
7234-7242 West Dreyer Place, West Allis, Wisconsin
7304-7312 West Dreyer Place, West Allis, Wisconsin
7211-7219 West Dreyer Place, West Allis, Wisconsin
7235-7241 West Dreyer Place, West Allis, Wisconsin
7311-7319 West Dreyer Place, West Allis, Wisconsin
7335-7341 West Dreyer Place, West Allis, Wisconsin

ADOPTED AS AMENDED 09/06/2011



Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

APPROVED AS AMENDED 9/2/11



Dan Devine, Mayor