

Redevelopment Authority of the City of Milwaukee

Resolution No.: 10012
Adopted on: June 19, 2008
Project Area: Bond
Aldermanic District: 4th, 10th and 14th

Resolution relative to the Issuance of Redevelopment Authority Revenue bonds for the financing and refinancing of Wisconsin Housing Preservation Corporation.

Whereas, the Redevelopment Authority of the City of Milwaukee (the "Authority") is a redevelopment authority organized by the City of Milwaukee, Wisconsin (the "City"), and existing under and pursuant to Section 66.1333, Wisconsin Statutes, as amended, (hereinafter, together with Section 66.1201, Wisconsin Statutes, sometimes referred to as the "Act") and is authorized by the Act:

- (a) to assist private acquisition, improvement and redevelopment of property determined by the Authority to be blighted property for the purpose of eliminating the blighted status of such property;
- (b) To exercise any powers of a housing authority under Section 66.1201, Wisconsin Statutes, if done in concert with a housing authority pursuant to a contract;
- (c) To cooperate with one or more other municipalities and/or housing or community development authorities in such other municipalities in the exercise of its powers for the purpose of issuing bonds in respect to housing projects located within such other municipalities and, if authorized by resolutions of such other municipalities and authorities, to act in its own name in the exercise of any of its powers in such other municipalities;
- (d) To enter into any contracts and exercise all powers necessary or incidental to carry out and effectuate the purposes of the Act; and
- (e) to issue bonds or other indebtedness in furtherance of its purposes.

Whereas, the powers of a housing authority under Section 66.1201, Wisconsin Statutes, include the power to do all things necessary or convenient to effectuate the purpose of providing safe and sanitary dwelling accommodations for persons of low income at affordable costs, including issuing bonds for such purpose; and

Whereas, the Authority has previously entered into an Intergovernmental Cooperation Agreement (the "HACM Agreement") with the Housing Authority of the City of Milwaukee ("HACM") pursuant to which the Authority is authorized to exercise the powers of HACM to issue conduit revenue bonds to finance or refinance housing developments in the City which the Authority finds to be "housing projects" under Section 66.1201(3)(j) of the Wisconsin Statutes; and

Whereas, it is the finding and determination of the Authority that there is a shortage of accommodations at affordable occupancy costs for lower income persons in the City, which shortage constitutes a detriment to the health, safety and welfare of the residents of the City; and

Whereas, the Authority desires to assist in the alleviation of this shortage and is willing to exercise its powers to this end, and in furtherance thereof interested persons have been invited to submit proposals for the financing and/or refinancing of the costs of acquisition and/or renovation of housing projects in the City (which may also include properties at other locations in the State of Wisconsin); and

Whereas, the Authority has received a proposal for a Project (as hereinafter defined) from Wisconsin Housing Preservation Corp., a Wisconsin nonprofit corporation, on behalf of itself and/or affiliated limited liability companies in which it is the sole member or (in the case of the facility known as McKinley Gardens which may be receiving low income housing tax credits) the sponsoring or managing member (collectively, "WHPC"), which Project includes multifamily residential facilities at locations in the City and in the Cities of Oak Creek and Burlington, Wisconsin (collectively, the "Cooperating Municipalities"), the facilities in Oak Creek and Burlington being in the area of operation of the Community Development Authority of the City of Oak Creek and the Community Development Authority of the City of Burlington (collectively, the "Cooperating Authorities"), respectively; and

Whereas, each of the Cooperating Authorities has determined that ultimate economy would be promoted by the issuance of revenue bonds by the Authority for the Project facilities located in the Cooperating Municipalities; and

Whereas, the Authority has determined to accept the proposal of WHPC, based upon the locations, WHPC's experience and the number of units which would be preserved and improved and continue to be made available for occupancy by persons lacking the Necessary Income at Affordable Occupancy Costs (as hereinafter defined), and the Authority Criteria;

Whereas, WHPC has requested that the Authority issue revenue bonds in one or more series in an aggregate amount not to exceed \$13,150,000 to finance the Project; and

Whereas, the staff of the Authority has held a public hearing pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, with respect to the issuance by the Authority of each series the Bonds and the related Project facilities (collectively, the "Public Hearing"); and

Whereas, it is in the public interest for the Authority to further the purposes of the Act by cooperating with the Cooperating Municipalities and the Cooperating Authorities to encourage and promote projects such as the Project in order to realize public benefits such as, but not limited to, the retention and improvement of affordable housing for lower income persons and the improvement of the health, safety and welfare of the residents of the State of Wisconsin, including particularly, the residents of the City and the Cooperating Municipalities; and

Whereas, the public interest will be served if the Authority were to provide financing under the Act for the Project; now, therefore, be it

Resolved that, the following terms when used herein shall have the following respective meanings:

- (a) "Authority Criteria" means such guidelines, criteria and/or application requirements as the Authority may adopt from time to time relating to issuance of revenue bonds for projects such as the Project.
- (b) "Project" means the multiple site, multifamily housing facilities, located in the City and/or one or both of the Cooperating Municipalities at the locations described in WHPC's proposal submitted to the Authority, to be financed or refinanced and preserved and improved by WHPC and which will include dwelling units providing safe and sanitary dwelling

accommodations which satisfy the Authority Criteria at Affordable Occupancy Costs for persons lacking the Necessary Income as set forth in WHPC's proposal, property rights in which can be acquired by the Authority.

(c) "Necessary Income" means 50% of area median income, (or 60% in the case of the McKinley Gardens facility) adjusted for family size, as published by HUD from time to time.

(d) "Affordable Occupancy Costs" means for each low income unit in the Project, an annual amount not greater than 50% of the imputed income limitation (under Section 42 of the Internal Revenue Code) applicable to such unit; and be it

Further Resolved, that the Authority hereby finds and determines that the Project described in this Resolution is a "housing project" within the meaning of the Act and the HACM Agreement; and be it

Further Resolved, that the Project of WHPC is approved and, subject to the conditions specified below, the Authority shall pursue and consummate a financing for the Project having the following elements:

(a) The Authority shall issue revenue bonds pursuant to the Act (the "Bonds") at one or more times in one or more series in such aggregate principal amount not in excess of \$13,150,000 as WHPC shall request; provided, however, that the actual aggregate principal amount shall not be greater than the sum of the then estimated aggregate cost of providing the Project, plus the amount necessary to fund any reserve deemed necessary or desirable, plus the estimated financing and bond issuance costs.

(b) Each series of Bonds shall be limited obligations of the Authority payable by the Authority solely out of revenues derived from WHPC or otherwise provided for pursuant to the terms of a sale, lease, loan or similar agreement (the "Revenue Agreement") to be entered into between the Authority and WHPC.

(c) The Revenue Agreement for each series of Bonds shall require WHPC to provide the Authority with revenues sufficient to pay when due the principal of, premium, if any, and interest on such Bonds; and be it

Further Resolved, the issuance of the Bonds by the Authority shall be on the following conditions:

(a) The Bonds shall not constitute an indebtedness of the Authority or the City within the meaning of any State of Wisconsin constitutional provision or statutory limitation.

(b) The Bonds shall not constitute or give rise to a pecuniary liability of the Authority or the City or a charge against the City's general credit or taxing powers.

(c) The Borrower shall be responsible for finding a purchaser or purchasers for all of the Bonds.

(d) Prior to the issuance of each series of Bonds, this body shall have authorized and approved the terms of the Bonds and the applicable Revenue Agreement.

(e) The Bonds shall be issued pursuant to the Act, and the delivery of the Bonds shall be accompanied with the approving legal opinion of Foley & Lardner LLP or another nationally recognized firm of bond attorneys acceptable to the Authority and WHPC.

(f) Prior to the issuance of Bonds to finance Project facilities located in the Cooperating Municipalities, the governing body of each of the Cooperating Municipalities shall have adopted a resolution declaring a need for the Authority to function in its jurisdiction by issuing such Bonds and each Cooperating Authority shall have entered into a cooperation agreement with the Authority; and be it

Further Resolved, no Bonds shall be issued until the terms and conditions of any guidelines governing the issuance of Bonds which may be adopted by the Authority have been complied with; and be it

Further Resolved, that the Revenue Agreement shall provide that, if required by the City, WHPC shall enter into one or more agreements with the City pursuant to which WHPC will agree to make annual payments-in-lieu-of-taxes in respect to the Project property located in the City, in such amounts as shall be negotiated by WHPC and the City in good faith; and be it

Further Resolved, that the staff of the Authority is hereby authorized to prepare a report on the results of the Public Hearing and present the same to the Mayor of the City, and in the case of Bonds to be issued to finance Project facilities located in the Cooperating Municipalities, to the Cooperating Municipalities. The Authority requests that the Mayor and the Cooperating Municipalities approve the issuance of the applicable Bonds; and be it

Further Resolved, WHPC shall pay the Authority a fee of 1/2 of 1% of the principal amount of the Bonds and reimburse all costs of the Authority incurred in connection with the issuance of the Bonds; and be it

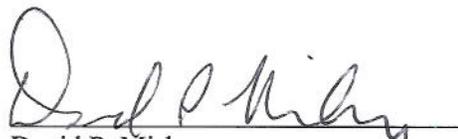
Further Resolved, that this Resolution constitutes a declaration of official intent to reimburse expenditures in respect to the Project with proceeds of such Bond issue for purposes of section 1.150-2 of Federal Treasury Regulations relating to tax exempt bonds; and be it

Further Resolved, that this resolution shall be effective immediately upon its passage and approval.

CERTIFICATION

I certify that the forgoing is a true and exact copy of a resolution adopted by the Redevelopment Authority of the City of Milwaukee, WI on the date set forth above.

(seal)



David P. Misky
Assistant Executive Director-Secretary