

AGENDA
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
REGULAR MEETING
August 19, 2015

Meeting Time and Location: **7:30 pm**
727 Miller Ave, Ann Arbor, MI

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES
 - A. Regular Board Meeting Minutes of July 15, 2015
- III. NEW BUSINESS
 - A. Authorization for the AAHDC to be the sole General Partner in West Arbor GP, LLC
 - B. Duet Development Proposal for Library Lane
- IV. ADJOURNMENT

MINUTES
ANN ARBOR HOUSING DEVELOPMENT COMMISSION
ANNUAL BOARD MEETING
July 15, 2015

Meeting Time and Location: **7:30 p.m.**
106 Packard, Baker Commons, Ann Arbor, MI

President Woods convened the meeting at 7:39 p.m.

ROLL CALL: Board Members present: Ronald Woods, Tim Colenback, Daniel Lee, Gwenyth Hayes, Jennifer Hall; Board Member absent: Audrey Wojtkowiak

Call to order/roll call

I. Approval of Agenda

Lee moved and *Hayes* seconded with the addition of a discussion of Conflict of Interest

Motion approved 5 – 0 (Woods, Colenback, Hall, Hayes, Lee- yes, 0 – no)

II. Approval of Minutes Regular Board Meeting Minutes of May 20, 2015

Lee moved and *Colenback* seconded

Motion approved 5 – 0 (Woods, Colenback, Hall, Hayes, Lee- yes, 0 – no)

III. New Business

A. Conflict of Interest

- a. The Board discussed the issue of Conflict of Interest and the Board asked Ms. Hall to find out from our attorney if there is a conflict of interest between the members of the AAHC Board and the AAHDC board?

B. Duet Development

- a. The board discussed the proposed Duet development and directed Hall to ask Norstar to review the proposal to determine its feasibility

C. Review Financials

IV. Adjournment

Colenback moved and *Hayes* seconded. Meeting adjourned 8:49 PM

**CERTIFIED COPY OF AUTHORIZING RESOLUTIONS
OF ANN ARBOR HOUSING DEVELOPMENT CORPORATION, AS THE SOLE MEMBER OF
WEST ARBOR GP, LLC
AS GENERAL PARTNER
OF
WEST ARBOR LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED PARTNERSHIP**

I, Jennifer Hall, as the Secretary/Treasurer of Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation (“AAHDC”) and the sole member of the West Arbor GP, LLC, which is a general partner (“General Partner”) of the West Arbor Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership (the “Partnership”), CERTIFY that I am the keeper of the records of the AAHDC, that the following is a true and correct copy of a Resolution duly and unanimously adopted by consent a meeting of the directors of the AAHDC on August 19, 2015, during which all of the directors were present, and constituted a quorum for the transaction of business; further, that the meeting was called in compliance with all applicable laws and the by-law requirements of the AAHDC; that the Resolution does not conflict with any by-law or formation document of the AAHDC, nor has the Resolution been in any way altered, amended or repealed and is in full force and effect, unrevoked and unrescinded as of this date, and has been entered upon the regular Minutes Book of the AAHDC as of the date of adoption, and that the directors of the AAHDC have, and at the time of adoption of the Resolution, had, full power and lawful authority to adopt the Resolution and to confer the powers granted in the Resolution to the Officer(s) named in the Resolution, who has full power and lawful authority to exercise those powers:

RECITATIONS

WHEREAS, the AAHDC was formed on October 15, 1979, and restated its articles of incorporation were approved and filed on June 6, 2013 with the Michigan Department of Licensing and Regulatory Affairs, Bureau of Commercial Services (the “Filing Office”) with the Ann Arbor Housing Commission, a Michigan public body corporate (“AAHC”) as its sole member; and

WHEREAS, the West Arbor GP, LLC, a Michigan limited liability company was formed on June 17, 2014 by filing articles of organization with the Filing Office with the AAHDC as its sole member; and

WHEREAS, it was proposed that the West Arbor GP, LLC act as the general partner (the “General Partner”) to participate in the acquisition and rehabilitation of a 46-unit multifamily scattered site affordable housing development located in Ann Arbor, Michigan, known as West Arbor (the “Project”), with the Partnership as the owner of the Project; and

WHEREAS, the proposal included the formation of the Partnership, which was formed on June 17, 2014 in which the General Partner held a .01% interest; and

WHEREAS, the AAHC entered into the Partnership as the Original Limited Partner holding a 99.99% interest; and

WHEREAS, it has been proposed that Norstar West Arbor, Inc., a Michigan corporation will enter into the Partnership as an Administrative General Partner to hold a .001% interest; and

WHEREAS, the General Partner's interest will convert to a .009% interest to accommodate the entry of the Administrative General Partner; and

WHEREAS, it is understood that the AAHC will withdraw as the Original Limited Partner, and the NEF Assignment Corporation, as nominee, an Illinois not-for-profit corporation ("NEF Assignment"), will enter the Partnership as a Limited Partner holding the 99.99% interest; and

WHEREAS, it has been proposed that Partnership enter into a Ground Lease with AAHC pursuant to a redevelopment plan proposed by AAHC to be financed under the U.S. Department of Housing and Urban Development ("HUD") RAD program; and

WHEREAS, the Partnership received a commitment from JPMorgan Chase Bank, N.A. (the "Bank"), to provide a construction loan in the amount of Nine Million and 00/100 Dollars (\$9,000,000.00) ("Bank Construction Loan") to the Partnership as its Mortgagor; and

WHEREAS, there are additional funds allocated to the Project would be provided in the form of a loan from the AAHC in the following approximate total amount of One Million Eight Hundred Thirty-Nine Thousand Six Hundred Sixty-Eight and 00/100 Dollars (\$1,839,668.00), which is comprised of the following sources: City of Ann Arbor Housing Trust Fund dollars; City Sewer Funds, Community Challenge Grant from Washtenaw County and deferred Developer's Fees (the "AAHC Loan"); and

WHEREAS, the Capital Fund Investment Corporation ("CFIC") will provide permanent financing in the amount of Two Million Three Hundred Fifty Thousand and 00/100 Dollars(\$2,350,000.00) ("CFIC Loan"); and

WHEREAS, as a condition of the Bank Construction Loan, the Mortgagor shall be required execute and deliver to the Bank its Note and a Mortgage securing said Note, and to enter into various agreements with the Bank including, a Mortgage Loan Commitment, a Building Loan Agreement, Hazardous Materials Guaranty, Pledge and Assignment, Investor Equity Assignment, Conditional Assignment of Management Agreement, Assignment of Permits and Contracts Subordination Agreement and all other required loan documents of the Bank; and

WHEREAS, in conjunction with the AAHC Loans, it is necessary that the Partnership execute and deliver to the AAHC a Mortgage subordinate to the Bank Loan, Note, Loan Agreement, and such other loan documents as required by AAHC (the "AAHC Loan Documents"); and

WHEREAS, as a condition of the CFIC Loan, the Partnership shall be required execute and deliver to CFIC the Permanent Loan Commitment, a Delivery Assurance Certificate Mortgage and such other loan documents as required by CFIC (the "CFIC Loan Documents"); and

WHEREAS, the Partnership has received a proposal from the National Equity Fund, Inc., an Illinois corporation ("NEF"), whereby NEF expressed its interest in investing in the Partnership by the allocation of a ninety-nine and ninety-nine hundredths (99.99%) percent Partnership Interest in the Partnership, and in conjunction therewith, the proposal included the admission of NEF Assignment, as the Limited Partner holding 99.99% Partnership Interest; and

WHEREAS, NEF Assignment, as the Investor Limited Partner in the Partnership will provide an equity capital contribution to the Partnership in an approximate aggregate amount of Nine Million One Hundred Four Thousand Five Hundred Eleven and 00/100 Dollars (\$9,104,511.00), with said capital contribution provided pursuant to an Amended and Restated Agreement of Limited Partnership; and

WHEREAS, in connection with the syndication of the Partnership Interest, it is necessary for the Partners in the Partnership to amend the original Limited Partnership Agreement to recognize the acquisition of a 99.99% Partnership Interest in the Partnership by the Investor Limited Partner in the Partnership; the change in the General Partner's interest to a .009% Partnership Interest in the Partnership; and the admission of the Administrative General Partner with a .001% Partnership Interest in the Partnership ; and

WHEREAS, in order to effectuate the syndication of the Partnership Interest, the Partners of the Partnership desire to restate and amend the original Limited Partnership Agreement in its entirety (A) to reflect (i) the change of the General Partner's interest holding a 0.009% Partnership Interest in the Partnership, (ii) the admission of the Administrative General Partner holding a .001% Partnership interest, (iii) the admission of the Investor Limited Partner holding a 99.99% Partnership Interest, and (iv) the restatement of the interests of the Partners in and to the Partnership, and (B) to set forth the respective rights, obligations and duties of the Partners of the Partnership; and

WHEREAS, in addition to the Amended and Restated Partnership Agreement, the Partnership shall file a Restated Certificate of Limited Partnership with the State of Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau to reflect the changes cited above, to be done post closing; and

WHEREAS, the General Partner was presented with the proposed forms of the Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") and certain other ancillary documents incident thereto.

NOW, THEREFORE:

IT IS RESOLVED, that the "whereas" clauses set forth above are hereby incorporated in these Resolutions.

IT IS FURTHER RESOLVED, that the formation of the AAHDC, the General Partner and Partnership are hereby affirmed and ratified.

IT IS FURTHER RESOLVED, that the change of the General Partner holding a 0.009% Partnership Interest and the admission of the Administrative General Partner holding a 0.001% interest in the Partnership, is hereby authorized and approved.

BE IT FURTHER RESOLVED, that the AAHC will withdraw from the Partnership to allow for the admission of the NEF Assignment as the Limited Partner to the Partnership.

BE IT FURTHER RESOLVED, that the Partnership shall accept the AAHC Loan under the terms and conditions as outlined in the AAHC Loan Documents.

IT IS FURTHER RESOLVED, that the above described transactions are hereby approved by the Board of Directors of the AAHDC, and further that the General Partner is hereby authorized to enter into the transactions described above to the extent required by Bank, AAHC, CFIC and NEF Assignment.

IT IS FURTHER RESOLVED, that the AAHDC, as the sole member of the general partner in Mortgagor, hereby authorizes West Arbor GP, LLC, the General Partner holding a 0.009% Partnership Interest in the Mortgagor, on behalf of General Partner and the Partnership, and the Mortgagor at any time after adoption of this Resolution and without further action by or authority or direction from the AAHDC or the General Partner, or the Mortgagor to execute and deliver, in the name of and on behalf of the General Partner or the Mortgagor, such documents as may be required by Bank, AAHC, CFIC and/or NEF Assignment to carry out the described transactions, and the execution of any document(s) in furtherance thereof by it on behalf of the Mortgagor as a general partner prior to this Resolution is hereby ratified and affirmed by the AAHDC and the General Partner and the Mortgagor.

IT IS FURTHER RESOLVED, that Jennifer Hall, as Manager of the General Partner, be and she is authorized as Manager of the General Partner and directed on behalf of the General Partner and the Partnership, at any time and from time to time after the adoption of this Resolution and without further action by or authority or direction from the Board of Directors of the AAHDC, General Partner or the Partnership, to execute and deliver or cause to be executed and delivered, in the name of and on behalf of the General Partner or the Partnership, such documents as may be required by Bank, AAHC, CFIC and/or NEF Assignment to carry out the described transactions.

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Signatures to Follow


**SIGNATURE PAGE TO THE RESOLUTIONS OF THE ANN ARBOR HOUSING
DEVELOPMENT CORPORATION, AS THE SOLE MEMBER OF
WEST ARBOR GP, LLC
AS GENERAL PARTNER OF
WEST ARBOR LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP**

IT IS FURTHER RESOLVED, that the Bank, AAHC, CFIC and NEF Assignment, be and they are authorized to rely on the continuing force and effect of this Resolution until receipt by them in writing from the AAHDC, or the General Partner of any amendments or alterations to this Resolution.

Dated this 19th day of August, 2015.

WEST ARBOR GP, LLC, a Michigan limited liability company

By: ANN ARBOR HOUSING DEVELOPMENT CORPORATION, a Michigan nonprofit corporation

By: 
Jennifer Hall
Its: Secretary/Treasurer

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