



Legislation Text

File #: 15-1019, **Version:** 1

Resolution to Loan \$1,839,668.00 to the West Arbor Limited Dividend Housing Association Limited Partnership for the Redevelopment of North Maple Estates and North Maple Duplexes (West Arbor)

The AAHC is redeveloping its public housing properties under the Rental Assistance Demonstration (RAD) program. The RAD program requires the AAHC to renovate these properties as part of the conversion from public housing to RAD project-based vouchers.

North Maple Estates (701 - 739 N Maple) include 19 apartments that will be demolished and replaced with 42 apartments and 4 apartments (743 - 749 N Maple) that will be renovated. In addition, the existing community center will be demolished and reconstructed. These two properties are known as the West Arbor project.

The Commission has secured Low Income Housing Tax Credits (\$9,104,511), a loan from the Capital Fund Investment Corporation, an affiliate of Great Lakes Capital Fund (\$2,350,000), Ann Arbor Housing Trust Funds (\$729,879), Capital Fund Program funds (\$388,178), Community Challenge Planning Grant funds (\$343,000), City of Ann Arbor Sewer funds (\$153,611), and a loan from the AAHC (\$225,000) to redevelop this property.

The AAHC secured the CCPG, AAHTF, and City Sewer funds and must loan these funds to the West Arbor Limited Dividend Housing Association Limited Partnership to use these funds for development costs and to secure basis points under the LIHTC program. The term of the loan will be a 30 year loan, with a six percent (6%) interest rate.

Prepared and approved by Jennifer Hall, Executive Director

WHEREAS, HUD has approved the Ann Arbor Housing Commission (AAHC) to convert all 17 public housing properties to Rental Assistance Demonstration (RAD) project-based vouchers, and the AAHC must secure funding to renovate all 17 properties;

WHEREAS, the AAHC has applied for funding to redevelop the properties at 701-739 N. Maple and 743-749 N. Maple known as the West Arbor project; and

WHEREAS, The AAHC has secured funding from the Ann Arbor Housing Trust Fund, City Sewer Fund and Community Challenge Planning Grant to redevelop these properties and to secure basis points for the Low Income Housing Tax Credit Program, the AAHC must loan these funds to the West Arbor Limited Dividend Housing Association Limited Partnership, which the AAHC is a member of; and

RESOLVED, that the Ann Arbor Housing Commission Board authorizes a loan in the amount of \$1,839,668.00 to the West Arbor LDHA, LP for the demolition, construction and related soft costs for the redevelopment of 701 - 749 N. Maple as a 30 year loan at no more than the Applicable Federal Rate (AFR) paid from the AAHTF, City Sewer Fund and the CCPG funds; and

RESOLVED, That Ann Arbor Housing Commission Board authorizes the Executive Director or her designee, the Finance and Administrative Manager, to take any administrative actions and to execute any documents necessary to complete this transaction and to implement this resolution.