



Legislation Text

File #: 14-0838, **Version:** 1

Resolution to Approve a contingency loan of \$125,000 to Maple Towers Ann Arbor LDHA, LP and \$125,000 to River Run Ann Arbor LDHA, LP

The attached budgets are the current budgets for Maple Towers and River Run which are scheduled to close in July 2015. There is a projected gap of \$125,000 for each project, contingent on several factors including the final construction and soft costs and whether the AAHC is able to successfully secure funding from the Federal Home Loan Bank. These budgets are based on quotes from contractors, which are subject to change until contracts are executed.

The AAHC has Capital Fund Program grant funds that are currently allocated toward RAD conversion projects in the amount of \$1,168,000 to be used on any RAD project, as needed. This request for a contingency loan to the project will not have a negative impact on the ability to fund future projects but it will enable the Maple Tower and River Run projects to close. The term of the loans will be 20-year loans, with an interest rate that will not exceed 1% to be paid from cash-flow.

Jennifer Hall, Executive Director, Ann Arbor Housing Commission

WHEREAS, the Ann Arbor Housing Commission has been approved by HUD to convert its public housing properties to project-based vouchers under the Rental Assistance Demonstration Program; and

WHEREAS, the Commission has secured funding in the amount of \$13,590,339 for River Run, leaving a gap of \$125,000; and

WHEREAS, the Commission has secured funding in the amount of \$15,647,926 for Maple Tower, leaving a gap of \$125,000; and

WHEREAS, The Commission has Capital Fund Program grants in the amount of \$1,168,000 to be used on any RAD project, as needed; and

RESOLVED, That the Ann Arbor Housing Commission Board authorizes loans in the amount of \$125,000 to River Run Ann Arbor LDHA, LP and \$125,000 to Maple Tower Ann Arbor LDHA, LP for the redevelopment of River Run and Maple Tower projects with a term of 20 years, with an interest rate not to exceed 1% to be paid from cash-flow.

RESOLVED, That the Board authorizes the Executive Director to take any administrative actions and to execute any documents necessary to complete this transaction and to implement this resolution.