



Legislation Text

File #: 18-2171, Version: 1

Authorizing Resolutions of Ann Arbor Housing Commission As Guarantor for Swift Lane Cinnaire Loan

I CERTIFY that I am the duly appointed Secretary and keeper of the records of Ann Arbor Housing Commission, a Michigan public body corporate, (the "**Commission**"), that the following is a true and correct copy of a Resolution duly and unanimously adopted by the Board of Directors of the Commission on December 19, 2018, at its regularly scheduled meeting that the Resolution does not conflict with any Bylaw or Governing Documents of the Commission nor has the Resolution been in any way altered, amended or repealed and is in full force and effect, unrevoked and un-rescinded as of this date, and has been entered in the records of the Commission as of the date of adoption, and that the Board of Directors of the Commission have, and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 have full power and lawful authority to exercise those powers:

Prepared and Approved by Jennifer Hall, Executive Director

WHEREAS, the Commission has approved a proposal for Swift Lane Limited Dividend Housing Association Limited Partnership (the "**Partnership**") to borrow from the JPMorgan Chase Bank, N.A. ("**Chase Bank**") a construction loan in a sum not to exceed [Twelve Million Seven Hundred Forty-Two Thousand Three Hundred Ninety-Four and 00/100 Dollars (\$12,742,394.00)] (the "**Construction Loan**") to be used to finance the acquisition and development of a housing development to be known as Swift Lane (the "**Development**"), which borrowing shall be evidenced by a Chase Bank Mortgage Note (the "**Note**") and secured by a Future Advance Mortgage (the "**Mortgage**") on real property and improvements owned or to be constructed by the Partnership and located at 3401, 3451 and Vacant Platt Rd. and 1514 White St., in the City of Ann Arbor, Washtenaw County, Michigan, (the "**Property**"). The Commission shall execute those documents included in **Exhibit A**, ("**Chase Related Loan Documents**") which is attached hereto and made a part of these Resolutions; and

WHEREAS, the Commission has approved a proposal for the Partnership to enter into a First Amended and Restated Partnership Agreement (the "**Amended Partnership Agreement**") with the Regions Affordable Housing, LLC, and its affiliates, as the Investor Limited Partner (the "**Limited Partner**"). Said Limited Partner shall syndicate the Low Income Housing Tax Credits ("**LIHTCs**") and provide equity to the Development totaling [Thirteen Million Six Hundred Seventy-Seven Thousand Six Hundred Forty-Four and 00/100 Dollars (\$13,677,644.00)] to also be used to finance the acquisition and development of the Development; and

WHEREAS, in connection with the syndication of the LIHTCs, in addition to the required execution of the First Amended and Restated Partnership Agreement, the Commission shall be required to execute and deliver the following documents: (a) Development Agreement; (b) Guaranty Agreement; and (c) Right of First Refusal Agreement (the "**Ancillary Partnership Documents**"); and

WHEREAS, in connection with the Development, the Partnership was approved a proposal for permanent financing from Cinnaire Investment Corporation ("**Cinnaire**") for approximately Two Million Six Hundred Thousand and 00/100 Dollars (\$2,600,000.00) ("**Cinnaire Permanent Loan**"); and

WHEREAS, in connection with the Cinnaire Permanent Loan, the Commission will be required to

execute a Guaranty Agreement ("**Cinnaire Guaranty Agreement**");

NOW THEREFORE, IT IS RESOLVED by the Board of Directors of the Commission, that the Commission has the power and authority to provide, and Jennifer Hall, the Executive Director of the Commission is hereby authorized to execute and deliver the guarantees to the Partnership, execute and deliver the Ancillary Partnership Documents of the Partnership, the Chase Bank Related Loan Documents and the Cinnaire Permanent Loan Guaranty Agreement, and any action taken in connection with said Development in furtherance thereof prior to this Resolution is hereby ratified and affirmed; and

IT IS FURTHER RESOLVED, that in furtherance of the purposes of the Commission, and there being nothing contrary contained in the governing documents or the Bylaws of the Commission, the Commission is authorized to guarantee to Chase Bank, absolutely and unconditionally, the payment (and not merely the collection) of any and all debts, liabilities and obligations of the Partnership to Chase Bank of whatever nature, whether direct or contingent, matured or unmatured, to guarantee the lien free completion of the Improvements (as defined in that certain Building Loan Agreement to be entered into between the Partnership and Chase Bank (the "Building Loan Agreement")) in accordance with such Building Loan Agreement and to provide certain indemnities to Chase Bank regarding environmental matters; and

IT IS FURTHER RESOLVED, that in furtherance of the purposes of the Commission, and there being nothing contrary contained in the governing documents or the Bylaws of the Commission, the Commission is authorized to guarantee the Cinnaire Permanent Loan by executing the Cinnaire Guaranty Agreement; and

IT IS FURTHER RESOLVED, that Jennifer Hall, the Executive Director of the Commission be and hereby is authorized and directed on behalf of the Commission at any time after adoption of this Resolution and without further action by or authority or direction from the Board of Directors to deliver to Chase Bank such further documents as may be required by Chase Bank in furtherance of any of the above resolutions in such form as may be required by Chase Bank; and

IT IS FURTHER RESOLVED, that Chase Bank, Cinnaire and the Limited Partner be and are authorized to rely on the continuing force and effect of this Resolution until receipt by the Chase Bank or the Limited Partners at their principal offices of notice in writing from the Commission of any amendments or alterations to this Resolution; and

IT IS FURTHER RESOLVED, that the execution and delivery by the Commission of the Chase Bank Related Loan Documents, the Cinnaire Guaranty Agreement and the Ancillary Partnership Documents, or any other instrument or document authorized by the foregoing resolutions, as well as the consummation of the transactions authorized thereby are permitted under the Commission's Governing Documents or Bylaws and will not (a) conflict with, or result in a breach of or default under any of the terms, conditions or provisions of the Governing Documents or Bylaws of the Commission, or of any law, regulation, order, writ, injunction or decree of any court or governmental instrumentality applicable to the Commission, or to any officer, director as Guarantor, or any agreement or instrument to which the Commission or any portion of its property is subject, or (b) result in the creation or imposition of any lien, or charge or encumbrance of any nature whatsoever upon any property of the Commission, except to the extent created by the Chase Bank Related Loan Documents, the Cinnaire Guaranty Agreement and the Partnership Documents.