

AGENDA

ANN ARBOR HOUSING DEVELOPMENT CORPORATION REGULAR MEETING

March 20, 2024

Meeting Time: 7:00pm
Location: Virtual on Zoom

Meeting Link:

<https://a2gov.zoom.us/j/95623646774?pwd=bHZSWHFvcVQ3VIREK2ViUHg5Y0Rxdz09>

Passcode: 476042

ID: 956 2364 6774

877-853-5247 US Toll Free Phone Dial-In

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES
 - A. Regular Board Meeting Minutes of December 20, 2023
- III. NEW BUSINESS
 - A. Current Financials
 - B. Resolution 24-1: Approve Acquisition of 123 W. Summit
 - C. Resolution 24-2: Approve Acquisition of 1510 E. Stadium
 - D. Resolution 24-3: 121 Catherine Street Limited Dividend Housing Association Limited Liability Company
- IV. ADJOURNMENT

MINUTES

ANN ARBOR HOUSING DEVELOPMENT CORPORATION REGULAR MEETING

December 20, 2023

Meeting Time: 6:00
Location: Virtual Meeting

President Meadows convened the meeting at 6:01 pm

Board Members present: Thierry Batalonga, Lee Meadows, Matt Weber, Jennifer Hall,

Board Members absent: Pat Jenkins, Steven Daniels, Deanna Boer,

I. APPROVAL OF AGENDA

Batalonga moved and *Weber* seconded.

Motion approved 4 – 0 (Batalonga, Meadows, Weber, Hall - yes, 0 – no)

II. APPROVAL OF MINUTES

Batalonga moved and *Weber* seconded.

Motion approved 4 – 0 (Batalonga, Meadows, Weber, Hall - yes, 0 – no)

III. NEW BUSINESS

A. Resolution 23-24 To Approve the Acquisition of 404 N Ashley

Batalonga moved and *Weber* seconded.

Motion approved 4 – 0 (Batalonga, Meadows, Weber, Hall - yes, 0 – no)

IV. ADJOURNMENT

Batalonga moved and *Weber* seconded. Meeting adjourned at 6:11 p.m.

Balance Sheet

Period = Feb 2024

Book = Accrual ; Tree = ysi_bs

		Current Balance
1000-00-000	ASSETS	
1100-00-000	CASH	
1110-00-000	Unrestricted Cash	
1111-81-001	AAHDC - Savings - CSB	3,354,540
1111-82-000	AAHDC Checking-Chelsea Bank	5,689,153
1111-99-000	Total Unrestricted Cash	<u>9,043,694</u>
1119-00-000	TOTAL CASH	9,043,694
1120-00-000	ACCOUNTS AND NOTES RECEIVABLE	
1129-00-000	A/R-Other	46,964
1129-99-000	Allowance for Doubtful Accounts-Other	(16,138,945)
1135-04-000	A/R City of Ann Arbor	231,390
1135-05-000	A/R Miscellaneous	11,375,072
1145-00-000	Accrued Interest Receivable	3,480,835
1149-00-000	TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>(1,004,684)</u>
1160-00-000	OTHER CURRENT ASSETS	
1211-00-000	Prepaid Insurance	1,848
1211-02-000	Prepaid Other	11,193
1299-00-000	TOTAL OTHER CURRENT ASSETS	<u>13,041</u>
1300-00-000	TOTAL CURRENT ASSETS	8,052,051
1400-01-000	FIXED ASSETS	
1400-05-000	Land	6,200,000
1400-06-000	Buildings	5,000,001
1400-08-000	Furniture and Equipment-Admin.	189,744
1405-03-000	Accum Depreciation-Furn & Equip Admin	(17,710)
1405-90-000	TOTAL FIXED ASSETS	<u>11,372,035</u>
1493-00-000	Notes Receivable - LIHTC	1,283,038
1499-00-000	TOTAL NONCURRENT ASSETS	<u>12,655,073</u>
1999-00-000	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCE:	<u>20,707,124</u>
2111-00-000	A/P Vendors and Contractors	444,533
2200-00-000	Deferred Revenue	46,712
2200-01-000	Deferred Revenue - Affordable Housing Millage	5,948,920
2200-02-000	Deferred Revenue - Mental Health Millage	446,420
2200-03-000	Deferred Revenue - Marijuana Rebate Fund	671,917
2299-00-000	TOTAL CURRENT LIABILITIES	<u>7,558,502</u>
2310-00-000	Notes Payable-Long-Term	1,500,000
2399-00-000	TOTAL NONCURRENT LIABILITIES	<u>1,500,000</u>
2499-00-000	TOTAL LIABILITIES	9,058,502
2802-00-000	Contributed Capital	67,437
2805-99-000	TOTAL CONTRIBUTED CAPITAL	<u>67,437</u>

2809-00-000	RETAINED EARNINGS:	
2809-02-000	Retained Earnings-Current Year	6,006,959
2809-04-000	Unrestricted Net Assets	5,402,191
2809-05-000	Invested in Capital Assets, Net of Related Debt	172,034
2809-99-000	TOTAL RETAINED EARNINGS:	<u>11,581,185</u>
2899-00-000	TOTAL EQUITY	<u>11,648,622</u>
2999-00-000	TOTAL LIABILITIES AND EQUITY	<u>20,707,124</u>
9999-99-000	TOTAL OF ALL	-

AAHDC Property List (aahdc)
Budget Comparison
 Period = Feb 2024
 Book = Accrual ; Tree = ysl_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
3400-00-000 GRANT INCOME									
3415-00-000 Other Government Grants	10,287	176,517	(166,230)	(94)	1,264,113	1,412,136	(148,023)	(10)	2,118,206
3415-15-000 DDA Revenue	14,071	27,642	(13,571)	(49)	213,117	221,136	(8,019)	(4)	331,704
3418-00-000 Grant Revenue	-	15,833	(15,833)	(100)	150,000	126,667	23,333	18	190,000
3499-00-000 TOTAL GRANT INCOME	24,358	219,992	(195,635)	(89)	1,627,230	1,759,939	(132,709)	(8)	2,639,910
3610-00-000 Investment Income - Unrestricted	1,992	1,000	992	99	13,394	8,000	5,394	67	12,000
3612-00-000 Loan Interest Revenue	-	-	-	N/A	-	-	-	N/A	980,000
3650-00-000 Miscellaneous Other Income	16,795	-	16,795	N/A	21,023	-	21,023	N/A	-
3651-01-000 Affordable Housing Millage Revenue	2,262,993	1,201,790	1,061,203	88	8,911,079	9,614,321	(703,242)	(7)	14,421,482
3651-02-000 Mental Health Millage Revenue	122,267	107,718	14,549	14	807,358	861,744	(54,386)	(6)	1,292,616
3651-03-000 Marijuana Rebate Fund Revenue	22,666	114,583	(91,917)	(80)	703,083	916,667	(213,583)	(23)	1,375,000
3999-00-000 TOTAL INCOME	2,451,071	1,645,084	805,987	49	12,083,169	13,160,671	(1,077,502)	(8)	20,721,008
4000-00-000 EXPENSES									
4100-00-000 ADMINISTRATIVE									
4100-99-000 Administrative Salaries									
4110-00-000 Administrative Salaries	587	945	358	38	6,502	7,560	1,058	14	11,342
4110-11-000 Temporary Help	-	1,250	1,250	100	-	10,000	10,000	100	15,000
4110-50-000 Contract Employees-Admin	3,025	3,692	667	18	19,431	29,536	10,105	34	44,310
4110-60-000 Contract-Property Management	1,607	1,606	(1)	(0)	12,669	12,848	179	1	19,268
4110-61-000 Contract Property Management-OT	26	-	(26)	N/A	129	-	(129)	N/A	-
4110-99-000 Total Administrative Salaries	5,244	7,493	2,249	30	38,731	59,944	21,213	35	89,920
4139-00-000 Other Admin Expenses									
4170-00-000 Admin & Accounting Fees	-	8,999	8,999	100	-	71,995	71,995	100	107,993
4171-00-000 Auditing Fees	-	-	-	N/A	1,385	1,500	115	8	1,500
4182-00-000 Consultants	16,939	-	(16,939)	N/A	48,087	-	(48,087)	N/A	-
4184-00-000 Contractor Expense - Admin	9,931	6,555	(3,375)	(51)	62,558	52,443	(10,115)	(19)	78,664
4189-00-000 Total Other Admin Expenses	26,869	15,555	(11,314)	(73)	112,030	125,938	13,908	11	188,157
4190-00-000 Miscellaneous Admin Expenses									
4190-01-000 Membership and Fees	-	-	-	N/A	45	-	(45)	N/A	-
4190-03-000 Advertising	-	-	-	N/A	361	-	(361)	N/A	-
4190-04-000 Office Supplies	-	42	42	100	-	333	333	100	500
4190-20-000 Bank Fees	40	-	(40)	N/A	140	160	20	13	160
4190-22-000 Other Misc Admin Expenses	718	-	(718)	N/A	3,167	-	(3,167)	N/A	-
4191-00-000 Total Miscellaneous Admin Expenses	758	42	(716)	(1,719)	3,713	493	(3,219)	(653)	660
4199-00-000 TOTAL ADMINISTRATIVE EXPENSES	32,872	23,089	(9,782)	(42)	154,473	186,375	31,902	17	278,737
4200-00-000 TENANT SERVICES									
4220-00-000 Resident Council	-	208	208	100	-	1,664	1,664	100	2,500
4220-01-000 Other Tenant Svcs.	1,704	24,167	22,463	93	266,974	193,333	(73,641)	(38)	290,000
4220-02-000 Tenant Services Support	191,605	245,390	53,785	22	1,618,812	1,963,121	344,309	18	2,944,681
4230-01-000 Tenant Relocation	1,200	-	(1,200)	N/A	1,200	-	(1,200)	N/A	-
4299-00-000 TOTAL TENANT SERVICES EXPENSES	194,509	269,765	75,256	28	1,886,986	2,158,118	271,132	13	3,237,181
4310-00-000 Water	-	-	-	N/A	684	-	(684)	N/A	-
4320-00-000 Electricity	-	-	-	N/A	1,292	-	(1,292)	N/A	-
4330-00-000 Gas	-	-	-	N/A	374	-	(374)	N/A	-
4399-00-000 TOTAL UTILITY EXPENSES	-	-	-	N/A	2,349	-	(2,349)	N/A	-
4410-50-000 Contract Employees Maintenance	752	645	(107)	(17)	6,580	5,160	(1,420)	(28)	7,744
4410-51-000 Contract Employees-Maint-OT	1	-	(1)	N/A	35	-	(35)	N/A	-
4416-00-000 Contractor Expense - Maintenance	539	1,000	461	46	6,325	8,000	1,676	21	12,000
4419-00-000 Total General Maint Expense	1,291	1,645	354	22	12,939	13,160	221	2	19,744
4420-00-000 Materials									
4420-15-000 Locks & Keys	-	-	-	N/A	41	-	(41)	N/A	-
4429-00-000 Total Materials	-	-	-	N/A	41	-	(41)	N/A	-
4430-00-000 Contract Costs									
4430-09-000 Grounds Contract Costs	2,500	-	(2,500)	N/A	2,500	-	(2,500)	N/A	-
4430-29-000 Snow Removal Contract	4,100	-	(4,100)	N/A	11,600	-	(11,600)	N/A	-
4439-00-000 Total Contract Costs	6,600	-	(6,600)	N/A	14,100	-	(14,100)	N/A	-
4499-00-000 TOTAL MAINTENANCE EXPENSES	7,891	1,645	(6,246)	(380)	27,080	13,160	(13,920)	(106)	19,744
4500-00-000 GENERAL EXPENSES									
4510-00-000 Property Insurance	-	-	-	N/A	1,278	-	(1,278)	N/A	-
4510-20-000 Liability Insurance	174	136	(38)	(28)	1,284	1,088	(196)	(18)	1,636
4521-00-000 Misc. Taxes/Licenses/Insurance	-	-	-	N/A	20	40	20	50	40
4525-00-001 Development Expense - General	2,014,944	1,346,139	(668,804)	(50)	2,176,422	10,769,113	8,592,692	80	16,153,670
4525-00-002 Development Expense - Maple Tower	1,247	-	(1,247)	N/A	22,841	-	(22,841)	N/A	-
4525-00-003 Development Expense - River Run	43,850	12,500	(31,350)	(251)	372,665	100,000	(272,665)	(273)	150,000
4525-00-004 Development Expense - West Arbor	-	-	-	N/A	195	-	(195)	N/A	-
4525-00-005 Development Expense - Swift Lane	2,340	-	(2,340)	N/A	255,644	-	(255,644)	N/A	-
4525-00-006 Development Expense - Colonial Oaks	2,725	-	(2,725)	N/A	119,258	-	(119,258)	N/A	-
4525-00-007 Development Expense - Lurie Terrace	-	-	-	N/A	20,195	-	(20,195)	N/A	-
4525-00-009 Development Expense - 121 Catherine	160,355	-	(160,355)	N/A	913,531	-	(913,531)	N/A	-
4525-00-010 Development Expense - 350 S. Fifth Ave	5,460	-	(5,460)	N/A	80,970	-	(80,970)	N/A	-
4540-00-000 Affiliated Entities Support	2,175	-	(2,175)	N/A	41,019	-	(41,019)	N/A	-
4570-01-000 Bad Debt Recovery	-	73,333	73,333	100	-	586,667	586,667	100	880,000
4599-00-000 TOTAL GENERAL EXPENSES	2,233,269	1,432,109	(801,161)	(56)	4,005,321	11,456,908	7,451,587	65	17,185,346
8000-00-000 TOTAL EXPENSES	2,468,541	1,726,608	(741,934)	(43)	6,076,209	13,814,561	7,738,352	56	20,721,008
9000-00-000 NET INCOME	(17,470)	(81,524)	64,054	79	6,006,959	(653,891)	6,660,850	1,019	-

RESOLUTION 24-1 AAHDC

Resolution to Sell 123 W. Summit (formerly part of 721 N. Main) to the Ann Arbor Housing Development Corporation (\$44,000.00)

The Ann Arbor Housing Commission (AAHC) is requesting City Council approval to sell 123 W. Summit (formerly part of 721 N. Main) to the Ann Arbor Housing Development Corporation (AAHDC), a Michigan nonprofit whose sole member is the AAHC, for \$44,000.00. 721 N Main was appraised in 2019 for \$2,430,000 for the entire 5.26 acre parcel. However, the 123 W. Summit parcel has not been appraised.

On April 1, 2019, Ann Arbor City Council adopted Resolution R-19-138 directing the City Administrator to collaborate with the Ann Arbor Housing Commission (AAHC) to provide coordinated analysis on the feasibility of city-owned properties as potential locations for affordable housing. That resolution incorporated previous resolutions R-19-110, R-19-111 and R-19-116.

The Ann Arbor Housing Commission led the analysis along with support from a staff team and several contractors to determine the feasibility for 11 sites including review of land use and zoning, environmental conditions, financial resources, site-specific costs, and overall risk among other factors. The analysis, three potential portfolio scenarios, and next step recommendations were presented to City Council at the Nov.18, 2019 City Council meeting.

As part of the analysis, it was determined that 721 N. Main had numerous site challenges including a FEMA Hazard Mitigation Grant deed, restricting the floodway and floodplain permanently as open space for the conservation of natural floodplain functions. The northwest corner of the site that abuts W. Summit Street was the only portion of the site that was not in the floodway or floodplain and is suitable for affordable housing development. Therefore, a .33 acre parcel in the northwest corner was split from the 5.26 acre parcel known as 721 N. Main for the purpose of developing affordable housing.

Further, AAHC staff worked with the SmithGroup to conduct community engagement for 123 W. Summit. The team presented three different affordable housing scenarios and all scenarios received over 60% community support.

The 721 N. Main parcel currently has an asset value of \$44,000.00 in the City's fixed asset system. To avoid a loss at sale, the sale price of \$44,000.00 is recommended. AAHC is requesting that the City sell the property to the Ann Arbor Housing Development Corporation by quitclaim deed for \$44,000.00.

The deed will include a restriction that ensures that the housing that is built, will be permanently affordable to households whose income is 60% of the Area Median Income or less.

Prepared By: Jennifer Hall, Executive Director, Ann Arbor Housing Commission

Reviewed By: Kevin McDonald, Chief Deputy City Attorney
Approved By: Milton Dohoney Jr., City Administrator

Whereas, The Ann Arbor Housing Commission (AAHC) conducted a feasibility analysis and determined the northwest corner of the of 721 N. Main that abuts W. Summit Street was the only portion of the site that is not in the floodway or floodplain and is suitable for affordable housing development;

Whereas, The City's fixed asset system enumerates 721 N Main as a Fleet Fund asset with a value of \$44,000.00; Whereas, A .33 Acre portion in the NW corner that is not in the floodway or floodplain was separated from the 5.26 acre parcel at 721 N. Main and made into its own parcel, now known as 123 W. Summit Street ("Property"), for the purpose of developing affordable housing; and

Whereas, The AAHC is requesting that the City sell the Property to the Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation, whose sole member is the AAHC, for \$44,000.00 to meet the City's affordable housing goals and advance the development process;

Whereas, That City Council approved the sale of the Property to the Ann Arbor Housing Development Corporation for \$44,000.00;

Whereas, That City Council found, upon the recommendation of the City Administrator, that a fair market value appraisal for this sale is unnecessary because the property shall be used for the public purpose of providing affordable housing, and because the City has received an appraisal for the entire parent parcel;

Whereas, That the City Council approved a quitclaim deed and any other documents necessary to convey ownership interest to the Ann Arbor Housing Development Corporation as required by Chapter 8, Section 1:209(3) of Ann Arbor City Code;

Whereas, That the Mayor and City Clerk are authorized to sign a quitclaim deed and any other documents necessary to convey the Property, subject to approval as to substance by the City Administrator, and approval as to form by the City Attorney, upon the condition that a deed restriction is placed on the Property at the time of transfer requiring permanently affordable housing to be developed on-site (which is affordable to households whose income is 60% AMI or less); and

RESOLVED, That the Ann Arbor Housing Development Corporation accept the transfer of ownership of the property known as 123 W. Summit for \$44,000.00.

RESOLVED, That the Ann Arbor Housing Development Corporation accepts the transfer of ownership of 123 W. Summit by quitclaim deed.

RESOLVED, That the Secretary-Treasurer is authorized to sign a quitclaim deed.

RESOLUTION 24-2 AAHDC

Resolution to Sell 1510 E. Stadium Blvd. to the Ann Arbor Housing Development Corporation (\$1.00)

The Ann Arbor Housing Commission (AAHC) is requesting City Council approval to sell 1510 E. Stadium Boulevard, also known as Fire Station #2, to the Ann Arbor Housing Development Corporation (AAHDC), a 501(c)(3) Michigan nonprofit whose sole member is the AAHC, for \$1.00. The property was appraised in 2022 for \$470,000.

On April 1, 2019, City Council adopted Resolution R-19-138 directing the City Administrator to collaborate with the AAHC to provide coordinated analysis on the feasibility of City-owned properties as potential locations for affordable housing. This resolution incorporated previous resolutions R-19-110, R-19-111, and R-19-116.

As an outcome of the analysis, which found that this property is in a good location for affordable housing by being next to two main bus routes, nearby schools, and other key amenities, in 2021, City Council approved a resolution (R-21-135), directing the AAHC, and its affiliated legal entities, to develop 1510 E. Stadium as Affordable Housing. However, at the time the resolution was adopted, the Fire Department's Inspection Services were still occupying the building so implementation of the resolution was delayed. The Fire Department Inspection Services have recently vacated the building.

Because the development process can take several years and because the AAHC's current administrative offices and maintenance facilities at 2000 S. Industrial have become unsuitable, the AAHC intends to use 1510 E. Stadium as their temporary administrative offices and maintenance facilities until a permanent location is found. Ideally, the AAHC would not move until a long-term location is identified, but the need for new office and maintenance space is urgent.

The AAHC's operations have outgrown the existing space and are continuing to grow. The most urgent need is storage space for maintenance inventory and equipment as well as maintenance staff. Neither 1510 E. Stadium nor 2000 S. Industrial are ideal, but 1510 E. Stadium is several thousand square feet larger than Industrial. The Police Department still has vehicles and equipment stored in the bay area of Fire Station #2 that Interim Chief Maguire agreed can be moved to 2000 S. Industrial in the bay areas currently occupied by the AAHC's maintenance team.

In addition, finance and administrative staff members are doubled up in offices and 2000 S. Industrial lacks an adequate conference room. Project teams wishing to have an in-person meeting must use the open kitchen space and face multiple interruptions from people passing through to use the restroom or stopping in to use the kitchen facilities.

1510 E. Stadium does require renovations before the AAHC can use it, including, but not limited to, boiler repair, roof repair and/or replacement, removing trees and stumps,

painting, adding fixtures, replacing doors, improving parking facilities, environmental remediation, installing an ADA ramp and an ADA bathroom, and general site clean-up. In total, the anticipated renovations are expected to cost \$200,000 to \$300,000 and the AAHC will pay for these renovations.

The AAHC is requesting that the City sell the property to the Ann Arbor Housing Development Corporation by quitclaim deed for \$1.00. The deed will include a restriction that ensures that the housing that is built, will be permanently affordable to households whose income is 60% of the Area Median Income or less.

Prepared By: Jennifer Hall, Executive Director, Ann Arbor Housing Commission
Reviewed By: Kevin McDonald, Chief Deputy City Attorney
Approved By: Milton Dohoney Jr., City Administrator

Whereas, in 2021, City Council approved resolution (R-21-135), directing the Ann Arbor Housing Commission, and its affiliated legal entities, to develop 1510 E Stadium as Affordable Housing; and

Whereas, the AAHC is requesting that the City sell 1510 E. Stadium Blvd. to the Ann Arbor Housing Development Corporation (AAHDC), a michigan non-profit corporation, whose sole member is the AAHC, for \$1.00 to meet the City's affordable housing goals and advance the development process;

Whereas, City Council can approve the sale of the Property commonly known as 1510 E. Stadium Blvd., and further described as:

Parcel Number: 09-09-33-410-003
Legal Description: LOT 112 EXC W & SW 10 FT & ALL LOTS 113, 114, & 115
FRISINGER LAND COMPANYS SECOND SUBD

to the Ann Arbor Affordable Housing Development Corporation for \$1.00;

Whereas, the City Council is anticipated to approve a quitclaim deed and any other documents necessary to convey ownership interest to the Ann Arbor Housing Development Corporation as required by Chapter 8, Section 1:209(3) of Ann Arbor City Code;

Whereas, the Mayor and City Clerk are authorized to sign a quitclaim deed and any other documents necessary to convey the Property, subject to approval as to substance by the City Administrator, and approval as to form by the City Attorney, upon the condition that deed restrictions are placed on the Property at the time of transfer requiring permanently affordable housing to be developed on-site (which is affordable to household whose income is 60% AMI or less, and allowing use of the Property as AAHC offices and maintenance facilities until the affordable housing is constructed; and

RESOLVED, That the Ann Arbor Housing Development Corporation accept the transfer of ownership of the property known as 1510 E. Stadium for \$1.00.

RESOLVED, That the Ann Arbor Housing Development Corporation accepts the transfer of ownership of 1510 E. Stadium by quitclaim deed.

RESOLVED, That the Secretary-Treasurer is authorized to sign a quitclaim deed.

**CERTIFIED COPY OF AUTHORIZING RESOLUTIONS
OF ANN ARBOR HOUSING DEVELOPMENT CORPORATION, AS THE SOLE MEMBER OF
AAHDC CATHERINE MM LLC
AS MANAGING MEMBER
OF
121 CATHERINE STREET LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED LIABILITY COMPANY**

I, Jennifer Hall, as the Secretary/Treasurer of Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation (“AAHDC”) and the sole member of the AAHDC Catherine MM LLC, which is the managing member (“Member”) of the 121 Catherine Street Limited Dividend Housing Association Limited Liability Company, a Michigan limited liability company (the “Company”), CERTIFY that I am the keeper of the records of the AAHDC, that the following is a true and correct copy of Resolutions duly and unanimously adopted by consent a meeting of the directors of the AAHDC on March 20, 2024, during which 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 Resolutions do not conflict with any by-law or formation document of the AAHDC, nor have the Resolutions been in any way altered, amended or repealed and are in full force and effect, unrevoked and unrescinded as of this date, and have been entered into the regular Minutes 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 Resolutions, had, full power and lawful authority to adopt the Resolutions and to confer the powers granted in the Resolutions to the Officer(s) named in the Resolutions, who have full power and lawful authority to exercise those powers:

RECITATIONS

WHEREAS, the AAHDC was formed on October 15, 1979, and its restated 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 AAHDC Catherine MM LLC, a Michigan limited liability company was formed on February 24, 2023 by filing articles of organization with the Filing Office with the AAHDC as its sole member; and

WHEREAS, it was proposed that the AAHDC Catherine MM LLC act as the managing member of the Company (the “Managing Member”) to participate in the construction of a 63-unit multifamily affordable housing development located in Ann Arbor, Michigan, known as 121 Catherine (the “Project”), with the Company as the owner of the Project; and

WHEREAS, the proposal included the formation of the Company, which was formed on February 24, 2023 in which the Managing Member held a .01% interest; and

WHEREAS, the AAHDC entered into the Company as the Original Member holding a 50.99% interest; and

WHEREAS, Avalon Catherine LLC, A Michigan Limited Liability Company is a Member holding .049% interest;

WHEREAS, the NEF Assignment Corporation, as nominee, an Illinois not-for-profit corporation ("NEF Assignment"), will enter the Company as the Investor Member holding the 99.99% interest; and

WHEREAS, it has been proposed that the Company enter into a Ground Lease with AAHDC pursuant to a development plan proposed by the AAHDC; and

WHEREAS, the Company received a commitment from Comerica Bank, N.A. (the "Bank"), to provide a construction loan in an amount not to exceed Eleven Million Two Hundred Thousand and 00/100 Dollars (\$11,200,000.00) ("Bank Construction Loan") to the Company as its Mortgagor; and

WHEREAS, there are additional funds allocated to the Project, which would be provided in the form of a loan from the AAHDC in the following approximate total amount of Thirteen Million Five Hundred Sixty Three Thousand Nine Hundred Seventy Three and 00/100 Dollars (\$13,563,973.00), which is comprised of the following sources: City of Ann Arbor Affordable Housing Millage funds, City of Ann Arbor Bond proceeds, City of Ann Arbor Climate Action Millage funds, State of Michigan EGLE Grant, Washtenaw County Brownfield Redevelopment Authority funds, Ann Arbor Downtown Development Authority funds and deferred Developer's Fees (the "AAHDC Loan A"); and

WHEREAS, there are additional funds allocated to the Project, which would be provided in the form of a loan from the AAHDC in the following total amount of Four Hundred Fifty Eight Thousand Eight Hundred Seventy Two and 00/100 Dollars (\$458,872.00), which is comprised of the following source: Federal Home Loan Bank Affordable Housing Program (the "AAHDC Loan B"); and

WHEREAS, there are additional funds allocated to the Project, which would be provided in the form of a loan from the AAHDC in the following total amount of Four Million Eighteen Thousand Nine Hundred Fifteen and 00/100 Dollars (\$4,018,915.00), which is comprised of the following source: Michigan Economic Development Corporation RAP (the "AAHDC Loan C"); and

WHEREAS, there are additional funds allocated to the Project would be provided in the form of a loan from Avalon Housing, Inc. in the following total amount of Three Hundred Sixty Six Thousand Four Hundred Ninety Two and 00/100 Dollars (\$345,000.00), which is a comprised of the following source: Ann Arbor Downtown Development Authority, Washtenaw County Brownfield Authority ("Avalon 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, 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 AAHDC Loans, it is necessary that the Company execute and deliver to the AAHDC a Mortgage subordinate to the Bank Loan, Note, Loan Agreement, and such other loan documents as required by AAHDC (the "AAHDC Loan Documents"); and

WHEREAS, as a condition of the Avalon Loan, the Company shall be required execute and deliver to Avalon a Mortgage subordinate to the Bank Loan, Note, Loan Agreement, and such other loan documents as required by Avalon (the "Avalon Loan Documents"); and

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

WHEREAS, NEF Assignment, as the Investor Member in the Company will provide an equity capital contribution to the Company in an approximate aggregate amount of Twelve Million Seven Hundred Forty Eight Thousand Seven Hundred Twenty Five and 00/100 Dollars (\$12,748,725.00), with said capital contribution provided pursuant to an Amended and Restated Operating Agreement of the Company; and

WHEREAS, in connection with the syndication of the Company Interest, it is necessary for the Members in the Company to amend the original Operating Agreement of Company to recognize the acquisition of a 99.99% Company Interest in the Company by the Investor Member in the Company and the change in the admission of NEF Assignment as the 99.99% Investor Member; and

WHEREAS, in order to effectuate the syndication of the Company Interest, the Members of the Company desire to restate and amend the original Operating Agreement in its entirety (A) to reflect (i) the admission of the Investor Member holding a 99.99% Company Interest, and (ii) the restatement of the interests of the Members in and to the Company, and (B) to set forth the respective rights, obligations and duties of the Members of the Company; and

WHEREAS, the Managing Member and Member were presented with the proposed form of the Amended and Restated Operating Agreement of the Company (the "Operating 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 Member of the Managing Member is hereby affirmed and ratified.

BE IT FURTHER RESOLVED, that the Company DC Loans and Avalon loan under the terms and conditions as outlined in the AAHDC and Avalon 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 Managing Member is hereby authorized to enter into the transactions described above to the extent required by Bank, AAHDC and NEF Assignment.

IT IS FURTHER RESOLVED, that the AAHDC, as the sole member of the Managing Member in Mortgagor, hereby authorizes AAHDC Catherine MM LLC, the Managing Member holding a 0.051% Membership Interest in the Mortgagor, on behalf of Members and the PCompany, 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 Members or the Mortgagor to execute and deliver, in the name of and on behalf of the Members AAHDC 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 managing member prior to this Resolution is hereby ratified and affirmed by the AAHDC and the Members and the Mortgagor.

IT IS FURTHER RESOLVED, that Jennifer Hall, as Manager of the Managing Member is authorized as Manager of the Managing Member and directed on behalf of the Members and the Company, 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, Members or the Company, to execute and deliver or cause to be executed and delivered, in the name of and on behalf of the Members or the Company such documents as may be required by Bank, AAHDC, 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
AAHDC CATHERINE MM, LLC
AS MANAGING MEMBER OF
121 CATHERINE STREET LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED
LIABILITY COMPANY**

IT IS FURTHER RESOLVED, that the Bank, AAHDC, 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 Members of any amendments or alterations to this Resolution.

Dated this 20th day of March, 2024.

AAHDC CATHERINE MM, LLC, a Michigan limited liability company

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

By: _____
Jennifer Hall
Its: Secretary/Treasurer