



Legislation Text

File #: 83482, **Version:** 1

Fiscal Note

The proposed resolution authorizes an amendment to the contract with Foley & Lardner LLP for the provision of legal services regarding the Heartland Housing, Inc. property and loan transactions. The contract would be amended to include an additional \$75,000, and the funds are available in the Affordable Housing Fund (12506230). No additional City appropriation required.

Title

Authorizing the City to amend its contract with outside counsel to provide legal representation for the Heartland Housing, Inc. property and loan transactions.

Body

WHEREAS, the City has provided loan funds to Heartland Housing Inc. for the benefit of Tree Lane Apartments, LLC and Rethke Washington LLC, with respect to affordable housing projects located at 7933 Tree Lane and 715 Rethke Avenue (the "Properties"); and

WHEREAS, in the spring of 2023, Heartland Housing Inc. notified the City it was on the brink of insolvency and intended to relinquish its control of the Properties, as well as other properties it operated in Milwaukee and Chicago; and

WHEREAS, in June of 2023 the Properties were placed under the control of a receiver in Dane County Case No. 23CV1379; and

WHEREAS, Attorneys Katherine Rist and Matthew Lee of Foley & Lardner LLP have the required specialized knowledge and expertise necessary to navigate the highly complex scenario of two low income housing tax credit projects going through receivership, possible sale, and negotiation of terms and legal documents with a potential buyer; and

WHEREAS, under MGO Sec. 4.26(4)(a)3., the City may retain services of an attorney without competitive bids; and

WHEREAS, the City has an existing purchase of services contract with Foley & Lardner LLP to provide legal services for this project up to an amount of \$49,999, and the duration and complexities of the project and representation require additional legal services.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and the City Clerk are authorized to execute an amended contract for purchase of services with Foley & Lardner LLP, amending the total compensation under the contract not to exceed an additional \$75,000, and on the terms approved by the City Attorney's Office; and

AND BE IT FINALLY RESOLVED that the City is authorized to pay for legal services pursuant to the contract.

