RESOLUTION NO. 2012-03

WHEREAS, the Housing Authority of New Orleans ("HANO") is the owner of certain vacant property located in the State of Louisiana, Parish of Orleans, City of New Orleans, which land is known as 5600 N. Claiborne Avenue, New Orleans, Louisiana 70117 (the "Property"); and

WHEREAS, HANO has determined that this vacant property would better serve the Lower Ninth Ward community by being disposed of “as is” to the City of New Orleans in efforts to facilitate the development of a fire station, Engine 22/3; and

WHEREAS, the Lower Ninth Ward currently lacks a full-service fire station, and Engine 22/3 would serve the entire population of the Lower Ninth Ward, and in this regard, will be the primary fire station for the area; and

WHEREAS, this project is critical to ensuring the safety of residents residing in and planning to return to the community; and

WHEREAS, the sale of this property to the City of New Orleans will be contingent upon HANO receiving approval from the HUD Special Applications Center (SAC) and upon determination of the fair market value; and

WHEREAS, due to the fact that the City of New Orleans will tender fair market value to purchase the property, a reversion clause need not be included in the transfer documents;

BE IT THEREFORE RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes its Administrative Receiver to enter into a purchase agreement and to execute any and all documents necessary to effectuate the sale and transfer of the Property to the City of New Orleans for the fair market value to be determined. The City will be responsible for paying all necessary and reasonable expenses, closing costs, and any and all fees associated with this Act of Sale.

Executed this 14th day of February 2012.

APPROVAL:

[Signature]

DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS
February 14, 2012

MEMORANDUM

TO:        David Gilmore,
           Administrative Receiver
           Chairman, Board of Commissioners

FROM:      Maggie Merrill
           Senior Advisor to the Administrative Receiver

RE:        Purchase Agreement with the City of New Orleans for 5600 N. Claiborne

This resolution seeks the approval to sell property located at 5600 N. Claiborne Avenue to the City of New Orleans for the construction of a new fire station, Engine 22/3. 5600 N. Claiborne Avenue is a vacant scattered site building.

In January 2011, the City of New Orleans requested that HANO donate the property at 5600 N. Claiborne Avenue to the City in order to facilitate the development of a new fire station, Engine 22/3, in the Lower Ninth Ward. The Lower Ninth Ward currently lacks a full service fire station. This project is critical to ensure the safety of residents residing in and returning to this area of the City. The fire station will also be ideally situated in the heart of the neighborhood across the street from the recently re-built Dr. Martin Luther King, Jr. Charter School and the future site of the Sanchez Community Center. The HANO Board of Commissioners approved this request for donation at that time. HUD Special Applications Center (SAC) approval was necessary in order for HANO to donate the property.

HANO has been advised that SAC will not approve this donation because it has determined that it does not provide a “community benefit” as defined by HUD regulations. HUD regulations provide that no community benefit is required if the property is disposed of for fair market value. Therefore, the sale of this property at fair market value is the most viable method of transfer and the sale of this property will be contingent upon HANO receiving approval from SAC. The City has requested that HANO seek approval to sell it the property for fair market value.

If this resolution is approved, HANO will sell the property “as is” to the City of New Orleans for the fair market value to be determined. The City will maintain the responsibility for paying all necessary and reasonable expenses, closing costs, and any and all fees associated with this Act of Sale.