

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
MARCH 13, 2012**

**RESOLUTION NO. 2012-11**

**WHEREAS**, the Housing Authority of New Orleans (HANO) and the City of New Orleans have been awarded a \$30.5 million Choice Neighborhoods Initiative (CNI) Implementation Grant by the U.S. Department of Housing and Urban Development to redevelop the Iberville Public Housing Development; and

**WHEREAS**, 1501 Canal Street as described in Exhibit A is one of the off-site properties for replacement housing units included in the Iberville Transformation Plan previously approved by HUD as part of the CNI application process; and

**WHEREAS**, 1501 Canal Street will be redeveloped by the Iberville Revitalization Company, LLC, to provide 112 replacement housing units for seniors; and

**WHEREAS**, HRI Properties (a member of Iberville Revitalization Company, LLC), has already received firm commitments from AEGON Realty Advisors (Low Income Housing Tax Credit and Historic Tax Credit investors), Stonehenge Capital Company (State Historic Tax Credit investor), J.P. Morgan Chase, N.A. (bond purchaser and construction/permanent lender), and the State Office of Community Development (Community Development Block Grant allocator) to finance the redevelopment of 1501 Canal Street, which should allow redevelopment to proceed quickly; and

**WHEREAS**, HANO exercised its option to purchase agreement for 1501 Canal Street at a cost of \$4,750,000 on November 30, 2011; and

**WHEREAS**, the original closing for the property was delayed in order to complete the due diligence work required by HUD for HANO to purchase the property; and

**WHEREAS**, HANO has renegotiated the Option, Purchase, and Sale agreement for an additional option payment of \$350,000 to extend the closing date to March 28, 2012 at the latest, which was exercised on February 15, 2012; and

**WHEREAS**, the seller has negotiated a new purchase price with HANO not to exceed \$4,814,426, and the option payments of \$120,000 and \$350,000 will be credited towards the purchase price;

**BE IT THEREFORE RESOLVED**, The Board of Commissioners hereby ratifies the extension of the Option, Purchase, and Sale Agreement by the Administrative Receiver and authorizes the Administrative Receiver to take all necessary actions to complete this acquisition including the execution of any and all necessary documents to effectuate this acquisition.

Executed this 13 day of March, 2012

APPROVAL:

  
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**DAVID GILMORE,  
ADMINISTRATIVE RECEIVER  
CHAIRMAN, BOARD OF COMMISSIONERS**

**EXHIBIT "A"**

Property Description

THAT CERTAIN PORTION OF GROUND, SITUATED IN THE 2ND DISTRICT IN SQUARE 158, BOUNDED BY CANAL, IBERVILLE, (LATE CUSTOMHOUSE), MARAIS & VILLERE STREETS, DESCRIBED AS LOTS NOS 1 & 16, WHICH LOTS ADJOIN EACH OTHER AND MEASURE EACH 42'7"4'" FRONT ON CANAL STREET, BY A DEPTH OF 114' BETWEEN EQUAL AND PARALLEL LINES. LOT 1 FORMS THE CORNER OF CANAL & MARAIS ST. SAID LOTS TOGETHER MEASURE 85'4"1" FRONT ON CANAL ST, SAME WIDTH IN THE REAR, WITH A DEPTH AND FRONT ON MARAIS STREET OF 114', AND A DEPTH ON THE OPPOSITE SIDELINE OF 114'. ACCORDING TO SURVEY DATED JULY 21, 2005, THE PROPERTY HAS THE SAME LOCATION, DESIGNATION AND DIMENSIONS HEREINABOVE SET FORTH. THE IMPROVEMENTS THEREON BEAR MUN NO. 1501 CANAL STREET, NEW ORLEANS, LOUISIANA.



**March 13, 2012**

**MEMORANDUM**

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

**FROM: Desiree Andrepont  
Director, Real Estate Planning and Development**

**Maggie Merrill  
Senior Advisor to the Administrative Receiver**

**RE: Acquisition of 1501 Canal Street (Texaco Building) for Choice  
Neighborhood Initiative Project**

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HANO entered into an option to purchase 1501 Canal Street as described in Exhibit A as one of several off-site locations for Iberville replacement housing included in Choice Neighborhoods Initiative (CNI). The Authority was awarded a Choice Neighborhoods Initiative grant by HUD in August 2011. 1501 Canal Street site was approved as part of the proposed CNI Transformation Plan.

The initial option agreement was authorized by HANO Board Resolution No. 2011-28 on May 17, 2011. The Option, Purchase, and Sale agreement was signed on May 25, 2011 with an option payment of \$120,000. On November 30, 2011, HANO exercised its option to purchase the property at a cost of \$4,750,000, and was required to close by January 27, 2012. The original closing had to be delayed while HANO completed the due diligence work that was required by HUD in order to purchase the property. HANO renegotiated the Option, Purchase, and Sale agreement for an additional option payment of \$350,000 to extend the closing date to March 28, 2012 at the latest, which was exercised on February 15, 2012. The seller has also negotiated a new purchase price with HANO not to exceed \$4,814,426 for the increased actual carrying costs for the delay period. The option payments of \$120,000 and \$350,000 will be credited towards the purchase price.

1501 Canal Senior Apartments, also known as the Texaco Building, will provide 112 one-bedroom replacement units for senior households. HRI Properties, a member of the Iberville Revitalization Company, LLC, has already assembled a viable financing structure. Redevelopment of the property is currently scheduled to begin in 2012.

The Board is hereby requested to ratify the extension of the Option, Purchase, and Sale Agreement by the Administrative Receiver, to authorize the Administrative Receiver to take all necessary actions to complete this acquisition, and to execute any and all necessary documents to effectuate this acquisition.