

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
DECEMBER 16, 2014**

RESOLUTION NO. 2014-37

WHEREAS, the Housing Authority of New Orleans (HANO), is a public housing agency as defined in the United States Housing Act of 1937, and is responsible for planning, financing, constructing, maintaining and managing public housing developments in New Orleans, Louisiana; and

WHEREAS, HANO and the Iberville Revitalization Company, LLC (IRC), the Master Developer for the Choice Neighborhoods Initiative (CNI), have executed the Iberville/Treme Choice Neighborhoods Initiative Implementation Agreement ("Implementation Agreement"), which serves as the Master Development Agreement for all components of the CNI Transformation Plan, and which establishes the guiding principles, overarching business terms, and roles and responsibilities of IRC and HANO for the implementation of CNI; and

WHEREAS, the IRC seeks to redevelop Iberville Onsite Phase III, which consists of a portion of two blocks, with its Developer Affiliate, On Iberville Phase III, LLC, to provide one hundred five (105) units including forty-two (42) replacement units, including thirty-six (36) public housing units and six (6) Permanent Supportive Housing project-based voucher units administered by the Louisiana Housing Corporation; and

WHEREAS, the Iberville Onsite Phase III project received an award of Low Income Housing Tax Credits with a placed in service deadline of December 31, 2016; and

WHEREAS, the Master Developer has requested that HANO provide permanent financing in an amount not to exceed \$13,700,000.00; and

WHEREAS, HANO and the U.S. Department of Housing and Urban Development (HUD) entered into Annual Contributions Contract No. FW-1190, dated December 2, 1996 (the "ACC Contract"), pursuant to which HANO agreed to develop and operate certain low-rent housing, and HUD agreed to maintain the low rent character of such housing; and

WHEREAS, HANO, with the approval of HUD, desires to provide operating subsidy for up to thirty-six (36) public housing units.

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the Executive Director:

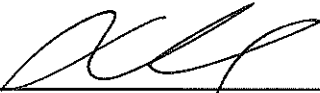
1. To execute any and all documents necessary to complete the financial closing for the Iberville Phase III mixed-finance redevelopment project.
2. To execute any other documents necessary to provide operating subsidy for up to thirty-six (36) public housing units and to obtain any and all necessary HUD approvals related thereto.

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3. To execute any and all documents necessary to provide On Iberville Phase III, LLC loan funds in an amount not to exceed \$13,700,000.00 towards the cost of construction, rehabilitation, and development of the Iberville Phase III redevelopment project.

Executed this 16th day of December, 2014

APPROVAL:



DWAYNE G. BERNAL
CHAIRMAN, BOARD OF COMMISSIONERS



December 16, 2014

MEMORANDUM

**To: Dwayne G. Bernal
Chairman, Board of Commissioners**

**Through: Gregg Fortner
Executive Director**

**From: Jennifer Adams
Acting Director, Development and Modernization**

Re: Iberville Phase III Closing Authorization

The Housing Authority of New Orleans (HANO) procured the Iberville Revitalization Company LLC (IRC) to be the Master Developer for the Choice Neighborhoods Initiative (CNI) to redevelop the Iberville site. The redevelopment will include 821 public housing or project-based voucher replacement housing units on site and in the surrounding neighborhood. Iberville Onsite Phase III, which consists of a portion of two blocks, will provide one hundred five(105) units, including forty-two (42) replacement units. Of the replacement units, thirty-six (36) will be public housing and six (6) will be Permanent Supportive Housing project-based voucher units administered by the Louisiana Housing Corporation.

The Iberville Onsite Phase III project was awarded an allocation of Low Income Housing Tax Credits (LIHTCs) with a placed-in-service deadline of December 31, 2016. The financial closing is scheduled to occur in December 2014 to maintain the schedule for providing replacement housing units and to meet the placed-in-service deadline.

The total permanent budget is \$31,691,576. The Developer, On Iberville Phase III, LLC, has requested permanent financing from HANO in the amount of \$13,671,241. The loan is payable from cash flow with a 1% interest rate. The loan includes the following HANO sources and uses:

AMOUNT	SOURCE	USE
\$4,200,000	CNI	construction
\$6,691,778	RHF	construction
\$674,295	RHF	predevelopment soft costs
\$1,500,000	program income	construction
\$605,168	sellers note	acquisition

The remaining sources of permanent financing are:

LIHTC Equity	\$9,999,000
Federal Historic Tax Credit Equity	\$950,935
State Historic Tax Credit Proceeds	\$970,400
Louisiana Housing Corp CDBG Loan	\$1,000,000
First Mortgage	\$5,100,000

CERTIFICATIONS

Finance

The Chief Financial Officer has certified that the funds are available to complete the project from Choice Neighborhoods Initiative funds, Replacement Housing Factor Funds, and Program Income.

It is requested that the Board of Commissioners authorize the Executive Director to perform the following actions necessary to complete the financial closing for the Iberville Phase III mixed-finance redevelopment project:

1. Execute any and all documents on behalf of HANO necessary to complete the financial closing for Iberville Phase III mixed-finance redevelopment project.
2. Execute any other documents necessary to provide operating subsidy for up to thirty-six (36) public housing units and to obtain any and all necessary U.S. Department of Housing and Urban Development (HUD) approvals related thereto.
3. Execute any and all documents necessary to provide On Iberville Phase III, LLC loan funds in an amount not to exceed \$13,700,000.00 towards the cost of construction, rehabilitation, and development of the Iberville Phase III redevelopment project.