

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
OCTOBER 27, 2015**

RESOLUTION NO. 2015-24

WHEREAS, the Housing Authority of New Orleans (HANO), is a public housing agency as defined in the United States Housing Act 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 Phase IV Onsite, which consists of two blocks and a portion of a third block, with its Developer Affiliate, On Iberville Phase IV, LLC to provide one hundred sixty-four (164) units including ninety-eight (98) replacement units. Of the replacement units, thirty-eight (38) will be public housing, nine (9) will be Permanent Supportive Housing project-based voucher units administered by the Louisiana Housing Corporation, and fifty-one (51) are project-based voucher units administered by HANO; and

WHEREAS, the Iberville Onsite Phase IV project received an award of 4% Low Income Housing Tax Credits paired with tax-exempt bonds; and

WHEREAS, the Master Developer has requested that HANO provide permanent financing in an amount not to exceed \$20,466,687; 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, as amended thereafter (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-eight (38) public housing units; and

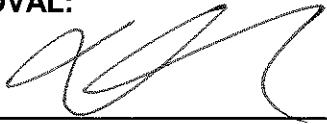
WHEREAS, HANO desires to enter into a Housing Assistance Payment (HAP) contract for fifty-one (51) project-based voucher units; and

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

1. Execute any and all documents on behalf of HANO necessary to complete the financial closing for Iberville Phase IV mixed-finance redevelopment project.
2. Execute any and all documents necessary to provide operating subsidy for up to thirty-eight (38) public housing units and to obtain any and all necessary the U.S. Department of Housing and Urban Development (HUD) approvals related thereto.
3. Execute any and all documents necessary to provide On Iberville Phase IV, LLC loan funds in the amount not to exceed \$20,466,687 towards the cost of construction, rehabilitation, and development of the Iberville Phase IV redevelopment project.

Executed this 27th day of October, 2015

APPROVAL:



DWAYNE G. BERNAL
PRESIDENT, BOARD OF COMMISSIONERS



October 27, 2015

MEMORANDUM

To: Board of Commissioners
President Dwayne G. Bernal, Vice President Alice Riener,
Commissioner Toni Hackett Antrum, Commissioner Donna Johnigan,
Commissioner Glen Pilié, Commissioner Vonda Rice and Commissioner
Cantrese Wilson

Through: Gregg Fortner
Executive Director

From: Jennifer Adams
Director, Development and Modernization

Re: Iberville CNI Phase IV Development Loan

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 IV, which consists of two blocks and a portion of a third block, will provide one hundred sixty-four (164) units including ninety-eight (98) replacement units. Of the replacement units, thirty-eight (38) will be public housing, nine (9) will be Permanent Supportive Housing project-based voucher units administered by the Louisiana Housing Corporation, and fifty-one (51) are project-based voucher units administered by HANO.

The Iberville Onsite Phase IV project was awarded an allocation of 4% Low Income Housing Tax credits (LIHTCs) paired with tax-exempt bonds in January 2015. The financial closing is scheduled to occur in October 2015 to maintain the schedule for providing replacement housing units.

The total permanent budget is \$45,205,247. The Developer, On Iberville Phase IV, LLC, has requested permanent financing from HANO in the amount of \$20,466,687. HANO has secured a ground lease rental payment in the amount of \$25,000 per year, subject to available cash flow and positioned prior to repayment of the second lien position CDBG loan. Repayments on the HANO loan are subject to cash flow availability in third lien position with a 1% interest rate. The loan includes the following HANO sources and uses:

AMOUNT	SOURCE	USE
\$8,879,970.00	CNI	Construction
\$8,185,112.61	RHF	Construction
\$1,259,667.39	RHF	Predevelopment Soft Costs
\$2,141,937.00	Seller's Note	Acquisition

The remaining sources of permanent financing are:

LIHTC Equity	\$14,828,548
Federal Historic Tax Credit Equity	\$933,524
State Historic Tax Credit Proceeds	\$976,488
Louisiana Housing Corp CDBG loan	\$1,500,000
First Mortgage	\$6,000,000
City of New Orleans HOME Funds	\$500,000

CERTIFICATIONS

Finance

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

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 IV mixed-finance redevelopment project:

1. Execute any and all documents on behalf of HANO necessary to complete the financial closing for the Iberville Phase IV mixed-finance redevelopment project.
2. Execute any and all documents necessary to provide operating subsidy for up to thirty-eight (38) 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 to provide On Iberville Phase IV, LLC loan funds in the amount not to exceed \$20,466,687 towards the cost of construction, rehabilitation, and development of the Iberville Phase IV redevelopment project.