

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
MARCH 29, 2016**

RESOLUTION NO. 2016-06

WHEREAS, the Housing Authority of New Orleans (HANO) and the Iberville Revitalization Company, LLC (IRC), the Master Developer for the Choice Neighborhoods Initiative (CNI), have executed the Iberville/Tremé Choice Neighborhoods Initiative Implementation Agreement (Implementation Agreement), which will serve as the governing Master Development Agreement for all components of the CNI Transformation Plan; and

WHEREAS, the Implementation Agreement contemplated that when a rental housing phase is determined to be viable, HANO will provide the Developer a Predevelopment Loan for no more than seventy-five percent (75%) of eligible third- party predevelopment costs for that phase; and

WHEREAS, the IRC seeks to redevelop Phase V of the Iberville site, which consists of Block G and one historical building, in collaboration with HANO to provide approximately 80 mixed-income rental housing units, including 24 replacement units; and

WHEREAS, the parties have determined Phase V to be viable, and a Predevelopment Loan Agreement has been negotiated with On Iberville Phase V, LLC ("Developer"), a Developer Affiliate of IRC, for Iberville Phase V, which covers eligible third-party predevelopment costs such as partnership costs, Low Income Housing Tax Credits financing fees, soft costs such as surveys, building permit fees, appraisals, market studies, and design fees, and explicitly excludes overhead of the Developer; and

WHEREAS, HANO's predevelopment loan for Iberville Phase V, which represents seventy-five percent (75%) of the HUD-eligible and HANO-approved costs incurred by the Developer prior to closing, shall not exceed \$766,947.00; and

WHEREAS, the Finance Department has certified that this loan amount is budgeted and HUD Capital Funds are available; and

WHEREAS, payments under this agreement will only be made to the Developer to reimburse for eligible and approved third-party predevelopment costs; and

WHEREAS, the entire principal amount of the Predevelopment Loan shall mature and be due and payable upon the maturity date of December 31, 2017 or at closing, whichever occurs earlier.

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THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Executive Director to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Loan Agreement – Phase V On-site with On Iberville Phase V, LLC in an amount not to exceed \$766,947.00.

Executed this 29th day of March, 2016

APPROVAL:



VP

DWAYNE G. BERNAL
PRESIDENT, BOARD OF COMMISSIONERS



March 29, 2016

MEMORANDUM

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

**Through: Gregg Fortner
Executive Director**

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

Re: Iberville Phase V Predevelopment Loan

The Housing Authority of New Orleans (HANO) was awarded the Choice Neighborhoods Implementation (CNI) Grant in 2011 to redevelop Iberville, the last traditional housing development in the City of New Orleans. Through a Request for Qualifications (RFQ) process, the Iberville Revitalization Company, LLC (IRC), a partnership between Historic Restoration, Inc and McCormack Baron Salazar, Inc., was selected as the developer to implement the CNI Transformation Plan. The IRC and HANO have executed the Iberville/Tremé Choice Neighborhoods Initiative Implementation Agreement (Implementation Agreement), which will serve as the governing Master Development Agreement for all components of the CNI Transformation Plan. This document establishes the guiding principles, overarching business terms, and roles and responsibilities of IRC and HANO for the implementation of CNI. The Implementation Agreement was executed by all parties on June 29, 2012.

The Implementation Agreement contemplates that when a rental housing phase is determined to be viable, HANO will provide the Developer a Predevelopment Loan for no more than seventy-five percent (75%) of eligible third-party predevelopment costs for that phase. Phase V of the redevelopment received an award of 9% Low-Income Housing Tax Credits (LIHTC) in late 2015. A Predevelopment Loan Agreement has been negotiated with On Iberville Phase V, LLC ("Developer"), a Developer Affiliate of IRC, for Phase V, which consists of Block G and one historical building. Phase V will support 80 total units, of which 48 will be market rate, 8 will be LIHTC units, and 24 will be public housing CNI replacement units. This phase is estimated to be fully leased by December of 2018. Additional permanent financing will include federal and state historic tax credit equity, a private mortgage, and HANO capital funds.

This Predevelopment Loan covers eligible third-party predevelopment costs such as partnership costs, Low Income Housing Tax Credits financing fees, surveys, building permit fees, appraisals, market studies, and design fees. HANO's predevelopment loan, which represents seventy-five percent (75%) of the HUD-eligible and HANO-approved costs incurred by the Developer prior to closing, shall not exceed \$766,947.00. Payments under this agreement will only be made to the

Developer to reimburse for eligible and approved third-party predevelopment costs. The entire principal amount of the Predevelopment Loan shall mature and be due and payable upon the maturity date of December 31, 2017 or at closing, whichever is earlier.

CERTIFICATIONS

Finance

The Finance Department has certified that the HUD Capital Funds are budgeted and available for the proposed predevelopment budget.

The Board of Commissioners is hereby requested to authorize the Executive Director to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Loan Agreement – Phase V On-site with On Iberville Phase V, LLC in an amount not to exceed \$766,947.00.