

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
APRIL 26, 2016**

RESOLUTION NO. 2016-13

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. This document 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 Phase V of the Iberville site, which consists of Block G and one historic building, in collaboration with HANO to provide 48 market rate units, 4 Low Income Housing Tax Credit units, 4 Permanent Supportive Housing Units, and 24 public housing units (28 CNI replacement units); and

WHEREAS, On Iberville Phase V, LLC (Developer), a Developer Affiliate of IRC, received an award of Low Income Housing Tax Credits (LIHTC) from the Louisiana Housing Corporation (LHC) from the 2015 credit ceiling and Developer is required to submit to the LHC carryover documentation evidencing that expenditures of at least ten percent (10%) of the projects cost had been incurred on or before July 15, 2016; and

WHEREAS, HANO is the owner of the property specifically identified in the attached Exhibit A (Property); and

WHEREAS, the Developer has determined that a ground lease for the Property will in part satisfy the 10% Carryover requirement; and

WHEREAS, the value of ground lease for the Property, \$598,326, will be included in the project loan at financial closing; and

WHEREAS, HANO has negotiated an additional ground rent payment of \$25,000 annually subject to available cash flow for a term of 99 years.

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Executive Director to execute the Ground Lease (Phase V) between the Housing Authority of New Orleans as Landlord and On Iberville Phase V, LLC as Tenant for \$598,326 along with an annual rent payment, subject to available cash flow, of \$25,000.00 annually for 99 years.

Executed this 26th day of April, 2016

APPROVAL:

 VP

**DWAYNE G. BERNAL
PRESIDENT, BOARD OF COMMISSIONERS**



April 26, 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 - Ground Lease

The Housing Authority of New Orleans (HANO) was awarded the Choice Neighborhoods Implementation (CNI) Grant in 2011 to redevelop Iberville, the last traditional standing housing development in the city. 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 June 29, 2012.

HRI, in connection with their plans to develop Phase V on site, applied for and received an award for 9% Low-Income Housing Tax Credits (LIHTC) from the Louisiana Housing Corporation (LHC) from the 2015 housing credit ceiling. In order to preserve their award, HRI must meet the deadline established by the LHC of July 15, 2016 for submittal of carryover documentation evidencing that expenditures of at least ten percent (10%) of the project's cost has been incurred. This requirement can be satisfied in part through an executed ground lease with the developer of this on-site phase, On Iberville Phase V, LLC. The ground lease will cover Block G and the land under which the historical building is located. The value of the ground lease, \$598,326, is pooled with additional HANO funds loaned for construction and secured by a promissory note at closing. HANO has secured an additional rent payment, subject to available cash flow, of \$25,000 annually. The term of the ground lease is 99 years. Phase V will include 80 total units, of which 48 will be market rate, 4 will be LIHTC units, 4 will be Permanent Supportive Housing/Project Based Voucher CNI replacement units, and 24 will be Public Housing CNI replacement units.

The Board of Commissioners is hereby requested to authorize the Executive Director to execute the Ground Lease (Phase V) between the Housing Authority of New Orleans as Landlord and On Iberville Phase V, LLC as Tenant for \$598,326 along with an annual rent payment, subject to available cash flow, of \$25,000.00 annually for 99 years.