

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
ANNUAL MEETING
DECEMBER 12, 2017**

RESOLUTION NO. 2017-24

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 VII Onsite, which consists of two blocks, with its developer affiliate, On Iberville Phase VII, LLC, to provide fifty-six (56) units, including thirty-one (31) replacement units. All thirty-one (31) replacement units will be public housing (ACC Units). Of the twenty-five (25) remaining units, nineteen (19) are Low Income Housing Tax Credit units and six (6) are market rate; and

WHEREAS, the Iberville Onsite Phase VII project received an allocation of 4% Low Income Housing Tax Credits; and

WHEREAS, On Iberville Phase VII, LLC has requested that HANO provide permanent financing in an amount not to exceed \$9,232,257; 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 (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-one (31) public housing units.

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

1. Execute any and all documents on behalf of HANO necessary to complete the financial closing for Iberville Phase VII mixed-finance redevelopment project.
2. Execute any other documents necessary to provide operating subsidy for up to thirty-one (31) 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 to provide On Iberville Phase VII, LLC loan funds in the amount not to exceed \$9,232,257 towards the cost of construction, rehabilitation, and development of the Iberville Phase VII redevelopment project.

Executed this 12th day of December, 2017

APPROVAL:



ALICE RIENER
PRESIDENT, BOARD OF COMMISSIONERS



December 12, 2017

MEMORANDUM

To: Board of Commissioners
President Alice Riener, Vice President Andreanecia M. Morris,
Commissioner Toni Hackett Antrum, Commissioner Donna Johnigan,
Commissioner Debra Joseph, Commissioner Vonda Rice and
Commissioner Cantrese Wilson

Through Gregg Fortner
Executive Director

From: Jennifer Adams
Director, Development and Modernization

Re: CNI - Iberville Phase VII Financial Closing

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 overall Iberville redevelopment will include 821 public housing or project-based voucher replacement housing units on site and in the surrounding neighborhood. Iberville Onsite Phase VII consists of one block that will consist of new residential construction and one block that will consist of green space and the renovated Administration Building. The project will provide fifty-six (56) units, including thirty-one (31) replacement units. All of the replacement units will be public housing (ACC Units). Of the remaining 25 units, 19 are Low Income Housing Tax Credit units and 6 are market rate.

The Iberville Onsite Phase VII project was awarded an allocation of 4% Low Income Housing Tax Credits (LIHTCs). The financial closing is scheduled to occur in December 2017. This is the final developable parcel on the former Iberville site.

The total (Part A) permanent budget is \$19,172,161. The Developer, On Iberville Phase VII, LLC, has requested permanent financing from HANO in the amount of \$9,232,257. HANO has secured a ground lease rental payment in the amount of \$5,000 per year, subject to available cash flow and positioned prior to repayment of the second lien position LHC/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
\$8,000,000	Capital Funds/ RHF	Construction
\$1,232,257	Seller's Note	Acquisition

The remaining sources of permanent financing are:

LIHTC Equity	\$5,548,381
Federal Historic Tax Credit Equity	\$272,468
State Historic Tax Credit Proceeds	\$249,055
Louisiana Housing Corp CDBG loan	\$2,670,000
First Mortgage	\$1,000,000
Deferred Developer Fee	\$200,000

CERTIFICATIONS

Finance

The Acting Director of Finance has certified that the funds are available to complete the project from 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 VII mixed-finance redevelopment project:

1. Execute any and all documents on behalf of HANO necessary to complete the financial closing for Iberville Phase VII mixed-finance redevelopment project.
2. Execute any other documents necessary to provide operating subsidy for up to thirty-one (31) 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 VII, LLC loan funds in the amount not to exceed \$9,232,257 towards the cost of construction, rehabilitation, and development of the Iberville Phase VII redevelopment project.