

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
MAY 28, 2020**

RESOLUTION NO. 2020-08

WHEREAS, on May 21, 2013, the Board of Commissioners approved Resolution 2013-26 approving funds in the amount of Fifteen Million Six Hundred Thousand Dollars (\$15,600,000) for the development and construction of 52 residential, homeownership units for the Lafitte Block 6 Homeownership Project of the Lafitte Redevelopment and authorized the Administrative Receiver to execute any and all documents necessary for the Third Amendment to the Lafitte Master Development Agreement (MDA); and

WHEREAS, the Third Amendment to the Lafitte MDA was executed on April 8, 2014 and stated that HANO would provide up to \$9,605,781 in total funding for the Block 6 Homeownership Project to the Lafitte Block 6 Homeownership, LLC (Developer), of which an amount up to \$400,000 would be made available for predevelopment activities; and

WHEREAS, the Third Amendment to the Lafitte MDA also stated that the number of residential units may be adjusted due to market conditions and that HANO and the Developer would negotiate a Developer Services Agreement (DSA); and

WHEREAS, the number of residential, homeownership units was then reduced from 52 to 45 units to allow for larger units with a broader appeal to the homeownership market; and

WHEREAS, FEMA approved on May 29, 2017 \$6,354,050 in funding for the now 45-unit project; and

WHEREAS, HANO executed the DSA on August 31, 2017 with the Developer for the development of 40 buildings of single family attached and detached homes (45 units); and

WHEREAS, HANO has agreed to loan \$400,000 in program income and \$6,354,050 in FEMA funding as predevelopment and construction funding for the project; and

WHEREAS, the Developer bid the project twice in 2019, but received bids in significantly in excess of the total development budget comprised of the FEMA funding and a private bank loan from Home Bank; and

WHEREAS, to successfully complete this project within the limits of the total development budget, the number of residential, homeownership units was further reduced from 45 to 30 in order to close the funding gap; and

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THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the HANO Executive Director, Evette Hester, to execute any and all documents necessary to effectuate the financial closing of the Lafitte Block 6 Homeownership Project with 30 residential, homeownership units, and to submit to the Special Applications Center an update to the project.

Executed this 28th Day of May, 2020

APPROVAL:



DEBRA JOSEPH
PRESIDENT, BOARD OF COMMISSIONERS



May 28, 2020

MEMORANDUM

**To: Board of Commissioners
President Debra Joseph, Vice President Isabel Barrios,
Commissioner Avery Foret, Commissioner Sharon Jasper,
Commissioner Carol Johnson, Commissioner Monika McKay,
Commissioner Hyma Moore, Commissioner Kim Piper and
Commissioner Bill Rouselle**

**Through: Evette Hester
Executive Director**

**From: Emily May
Acting Director, Development and Modernization**

**Re: Lafitte Redevelopment, LLC and Lafitte Block 6 Homeownership, LLC
Development of 30 Residential, Homeownership Units**

On May 21, 2013, the Board of Commissioners approved Resolution 2013-26 approving funds in the amount of Fifteen Million Six Hundred Thousand Dollars (\$15,600,000) for the development and construction of 52 residential, homeownership units for the Lafitte Block 6 Homeownership Project of the Lafitte Redevelopment, and authorized the Administrative Receiver to execute any and all documents necessary for the Third Amendment to the Lafitte Master Development Agreement (Lafitte MDA).

The Third Amendment to the Lafitte MDA was executed on April 8, 2014 and stated that HANO would provide up to \$9,605,781 in total funding for the Block 6 Homeownership Project to the Lafitte Block 6 Homeownership, LLC (Developer), of which an amount up to \$400,000 would be made available for predevelopment activities. The Third Amendment to the Lafitte MDA also stated that the number of residential, homeownership units may be adjusted due to market conditions, and that HANO and the Developer would negotiate a Developer Services Agreement (DSA).

Since the Third Amendment to the Lafitte MDA was signed, the number of residential, homeownership units was reduced from 52 to 45 units to allow for larger units with a broader appeal to the homeownership market. Thereafter, the DSA was signed in August of 2017 for the development of the 45 units.

After the DSA was signed, drawings were completed and the project went through the competitive bidding process on two occasions. The process resulted in construction costs beyond the project budget capacity. Therefore, the developer and HANO renegotiated/revised the development plan and further reduced the number of residential, homeownership units to 30 units.

HANO's Development and Modernization Department believes that the reduction to 30 residential, homeownership units is necessary to complete the Lafitte Block 6 Homeownership Project, and it recommends that HANO move forward with the financial closing of the Lafitte Block 6 Homeownership Project at this time.

Therefore, it is requested that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Executive Director to execute any and all documents necessary to effectuate the financial closing of the Lafitte Block 6 Homeownership Project with 30 residential, homeownership units, and to submit to the Special Applications Center an update to the project information.