

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

RESOLUTION NO. 2020-13

WHEREAS, The Housing Authority of New Orleans (HANO) and the City of New Orleans (CNO), jointly were awarded the Choice Neighborhoods Implementation (CNI) Grant in 2011 to redevelop the last traditional standing housing development in the city, Iberville, and to transform the surrounding neighborhood bounded by Broad Street, Tulane Avenue, Rampart Street, and St. Bernard Avenue (CNI Trapezoid); and

WHEREAS, HANO owns several scattered properties within the CNI Trapezoid but has not been able to develop these properties as part of its one-for-one replacement unit requirement pursuant to the CNI Grant Agreement due to a lack of resources; and

WHEREAS, in August 2016, the New Orleans Redevelopment Authority (NORA), CNO, and HANO jointly issued a Notice of Funding Availability (NOFA) that paired CNO financial resources with NORA and HANO properties for the development of affordable housing within the CNI Trapezoid; and

WHEREAS, Tulane and Canal Neighborhood Development Corporation was awarded CNO funds under the NOFA to provide soft second mortgage financing to eligible homebuyers after construction of new homes on nine properties, one of which is owned by HANO; and

WHEREAS, HANO desires to transfer the property that it owns bearing municipal address 2115 St. Ann Street (Property) to Tulane and Canal Neighborhood Development Corporation for 10% of the appraised value, contingent upon a subsequent sale of the home to be built upon the property by Tulane and Canal Neighborhood Development Corporation to a qualified buyer at 80% or less of Area Median Income; and

WHEREAS, HANO staff recommends disposition of 2115 St. Ann Street to Tulane and Canal Neighborhood Development Corporation because it meets the spirit of the CNI grant funding and HANO's mission to provide affordable housing opportunities;

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the Executive Director to execute any and all documents, including but not limited to an application to the HUD Special Application Center, that are necessary to effect the transfer of the Property for 10% of the appraised value, contingent upon inclusion of the following terms in the transfer:

- (1) the Property will revert to HANO if no action is taken by the developer to construct housing on the Property in a period of time to be determined by staff;

Resolution No. 2020-13
July 28, 2020
Page 2

(2) a minimum 5-year deed restriction that recaptures the difference between the appraised value of the Properties and the 10% of appraised value to be paid by Tulane and Canal Neighborhood Development Corporation if the home on the Property is sold within 5 years to a buyer who does not meet the requirements of an affordable homebuyer;

(3) Tulane and Canal Neighborhood Development Corporation will provide a "first look period," the duration of which is to be determined by staff, that provides HANO Public Housing and HVCP participants the first opportunity to purchase the home to be built on the Properties.

Executed this 28th Day of July, 2020

APPROVAL:



DEBRA JOSEPH
PRESIDENT, BOARD OF COMMISSIONERS



July 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: Sale of 2115 St. Ann Street for Development of Affordable Homeownership
in the CNI Trapezoid

The property located at municipal address 2115 St. Ann Street is owned by the Housing Authority of New Orleans (HANO) and it falls within the area that has been designated at the "CNI Trapezoid."

HANO and the City of New Orleans (CNO), jointly, were awarded the Choice Neighborhoods Implementation (CNI) Grant in 2011 to redevelop the last traditional standing housing development in the city, Iberville, and to transform the surrounding neighborhood bounded by Broad Street, Tulane Avenue, Rampart Street, and St. Bernard Avenue (CNI Trapezoid). HANO owns several scattered properties within the CNI Trapezoid boundaries, and HANO anticipated developing these properties as part of its one-for-one replacement unit requirement pursuant to the CNI Grant Agreement. To date, HANO has not been able to develop any of the properties due to lack of resources.

In August 2016, the New Orleans Redevelopment Authority (NORA), CNO, and HANO jointly issued a Notice of Funding Availability (NOFA) which paired CNO financial resources with NORA and HANO properties in an effort to stimulate development of affordable housing, both rental and homeownership, within the CNI boundaries. HANO's vacant property bearing municipal address 2115 St. Ann Street was part of the NOFA. The dimensions and value of the property at 2115 St. Ann Street are as follow:

Address	Lot Size	Land Area	Neighborhood	2018 Appraisal Value	Transfer Amount
2115 St. Ann St.	31 x 127	3937	Treme	\$80,000	\$8,000

Tulane and Canal Neighborhood Development Corporation (T/CNDC) was awarded CNO funds pursuant to the NOFA to provide soft second mortgage funding to eligible buyers for homeownership opportunities on nine properties. One of the properties awarded to T/CNDC is the property bearing municipal address 2115 St. Ann Street that is owned by HANO.

2115 St. Ann Street falls under HANO's Annual Contributions Contract (ACC) for public housing units. Therefore, permission from the HUD Special Applications Center (SAC) to dispose of the property is needed in order to transfer it to T/CNDC.

T/CNDC will construct a 3-bedroom home on the subject property through a construction loan and will sell the home to clients who are at 80% or less of Area Median Income. At this income level, it is anticipated that soft second mortgages will be required to purchase the homes. Soft second mortgages and, if necessary, third mortgages will include requirements for owner occupancy.

Because this homeownership plan meets the spirit of the CNI grant as well as HANO's mission to provide affordable housing opportunities, HANO staff recommends the sale of the 2115 St. Ann Street property at 10% of appraised value from HANO to T/CNDC.

An appraisal was completed in May, 2020 and the value of the property was stated as \$80,000.00. Thus, the sale price of the property would be \$8,000.00, contingent upon a subsequent sale to a qualified buyer at 80% or less of Area Median Income. The property does not require any archeological investigations in order to be transferred.

Therefore, it is requested that the Board of Commissioners of the Housing Authority of New Orleans authorize the Executive Director to execute any and all documents necessary, including but not limited to an application to SAC, to effectuate the sale and transfer of the property bearing municipal address 2115 St. Ann Street that is owned by HANO, to Tulane and Canal Neighborhood Development Corporation for 10% of appraised value, contingent upon the subsequent sale of a home built on the property by T/CNDC to a qualified buyer at 80% or less of Area Median Income.