

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
October 25, 2022**

RESOLUTION NO. 2022-29

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, IRC is developing Winn Dixie Phase II, a 0.86 acre site adjacent to the former Iberville site and formerly known as the Winn Dixie site, with its developer affiliate, WD Phase II, LP; and

WHEREAS, the project is planned to be constructed as a total of forty-five (45) affordable rental units consisting of six (6) public housing units (ACC units), twenty-four (24) Project Based Voucher units, five (5) Low Income Housing Tax Credit units, and ten (10) market Rate units. Of the total number of units, twenty-six (26) of the affordable units will serve as one-for-one replacement units. All replacement units will also be Low-Income Housing Tax Credit (LIHTC) units; and

WHEREAS, the Winn Dixie Phase II project has now received an award of 9% Low-Income Housing Tax Credits and parties wish to resume predevelopment activities and associated funding; and

WHEREAS, HANO Board of Commissioners previously authorized a predevelopment loan with Winn-Dixie Phase II, LP under Resolution NO. 2016-32; and

WHEREAS, additional predevelopment funds are required to successfully advance WDII to a financial closing; and

WHEREAS, Winn-Dixie Phase II, LP is hereby requesting funding from HANO under a Second Amendment to the Predevelopment Loan in an amount not to exceed \$1,530,000; and

WHEREAS, the HANO Finance Department has certified that the entire Predevelopment Loan Agreement amount, not to exceed \$1,530,000, is available for this purpose and Non-Federal funds are available; and

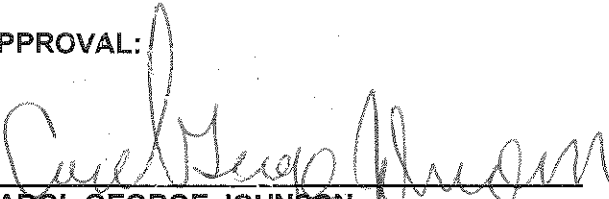
WHEREAS, the entire principal amount of the Predevelopment Loan shall be extended through December 31, 2023.

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the Executive Director to execute the Second Amendment to the Predevelopment Loan Agreement with Winn Dixie II, LP in an amount not to

exceed \$1,530,000 for Winn Dixie Phase II and extend the term of the agreement through December 31, 2023 for a financial closing of the development.

Executed this 25th day of October, 2022

APPROVAL:



CAROL GEORGE JOHNSON
CHAIRMAN, BOARD OF COMMISSIONERS



DECISION MEMORANDUM

October 25, 2022

To: Board of Commissioners:
President Carol George Johnson, Vice President Avery Foret,
Commissioner Isabel Barrios, Commissioner Sharon Jasper,
Commissioner Kim Piper, Commissioner Percy Manson, Commissioner
Paul Richard, Commissioner Monika McKay and Commissioner Jeffrey
Vappie

Through: Evette Hester
Executive Director

From: Gionne Jourdan
Director, Development and Modernization

Re: Resolution #2022-29 - Winn Dixie Phase II Pre-Development Loan
Agreement/Developer Fee Advance

[Iberville Revitalization Company, LLC (IRC) was awarded the development rights under RFQ# 10-1200-08-18 for the Choice Neighborhood Initiative (CNI). Winn Dixie Phase II (WDII) which is one of ten off-site components and part of the CNI funded by the U.S. Department of Housing and Urban Development (HUD) for the Housing Authority of New Orleans. WDII is the final phase of development planned for the former Winn Dixie grocery store site. The property is immediately adjacent to City Square 162 (Winn Dixie Phase I) and the fully redeveloped Bienville Basin community (formerly the Iberville Housing Development). WDII is located at 1431 St. Louis Street.

WDII will be a newly constructed four-story building with 45 affordable rental units, including 21 one-bedroom and 24 two-bedroom units. WDII will include 10 market rate, 5 low-income housing tax credit (LIHTC), 24 Project-Based Voucher, and 6 Public Housing units that will be constructed to Enterprise Green Communities standards. The projected total development cost is \$20.5 million.

In 2012, HANO entered into an Iberville/Treme Choice Neighborhood Initiative Implementation Agreement, which included provisions that allowed HANO to execute pre-development loan, development loan, developer fee advance loan and additional services agreements.

In December 2016, under Resolution #2016-32, HANO's Board of Commissioners authorized the Executive Director to execute a Predevelopment Loan Agreement and a Developer Fee Advance Loan Agreement for Winn Dixie Phase II in an amount not to exceed \$168,400. Of the approved \$168,400, HANO advanced approximately \$80,000 in pre-development and fee advance funds before all parties mutually agreed to suspend further pre-development expenditures until key funding commitments for WDII were secured.

In 2021, WDII was awarded 9% Low-income housing credits from the Louisiana Housing Corporation (LHC) and \$1.5 million dollars in HOME funds from the City of New Orleans. WDII also has an award of \$4 million from HUD for a Choice Neighborhood Supplemental grant. Therefore, all parties now wish to resume pre-development activities as required to achieve a financial closing in 2023.

Accordingly, Winn-Dixie Phase II, LP is hereby requesting a Second Amendment to the Pre-development Loan Agreement with HANO in an amount not to exceed \$1,530,000, which includes a Developer Fee Advance Loan of 360,000. The total pre-development budget is currently projected to be \$1.9M, of which HANO is responsible for 75% and Winn-Dixie Phase II, LP is responsible for 25% under the business terms of the original Implementation and Pre-development Loan agreements.

Therefore, it is requested that the Board of Commissioners of the Housing Authority of New Orleans authorize the Executive Director to enter into the on behalf of HANO the Second Amendment to the Pre-development Loan Agreement with Winn Dixie Phase II, LP in an amount not to exceed \$1,530,000, which includes a Developer Fee Advance Loan of 360,000.