

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
September 26, 2023**

**RESOLUTION NO. 2023-17**

**WHEREAS**, in 2019, REO Development, LLC was awarded the development rights to 2256 Baronne through RFQ #16-911-2 (the Project). The Project will include twenty (22) one and two-bedroom rental units for seniors that meet historic preservation requirements. The Project will be developed in a four-story structure built to Enterprise Green Communities standards, with 17,500 square feet of residential space and 2,500 square feet of community space and other common areas.

**WHEREAS**, HANO and 2256 Baronne, LLC (Developer), an affiliate of REO Development, LLC, entered into that certain Exclusive Option to Lease, dated June 2016, as amended by that First Amendment to Exclusive Option to Lease, dated December 21, 2022, in which HANO granted the Developer the option to lease and develop the Project. The term of the First Amendment to Exclusive Option to Lease expires on September 30, 2023. The Developer is in the process of securing financing for the Project and anticipates a construction closing in 2024. Therefore, HANO is willing to extend the term of the option to December 31, 2024 through a Second Amendment to Exclusive Option to Lease.

**WHEREAS**, HANO and Developer, entered into that certain Predevelopment Loan Agreement, dated April 1, 2019, in which HANO agreed to provide a predevelopment loan in an amount not to exceed \$99,210,000 with a maturity date of April 1, 2020. The Predevelopment Loan Agreement was amended by that certain First Amendment to Predevelopment Loan Agreement, dated July 15, 2020, to extend the maturity date to April 1, 2021, by that Second Amendment to Predevelopment Loan, dated May 19, 2021, to extend the maturity date to September 30, 2022, and by that Third Amendment to Predevelopment Loan Agreement, dated January 23, 2023, to extend the maturity date to September 30, 2023. The Developer is in the process of securing financing for the Project and anticipates a construction closing in 2024. Therefore, HANO is willing to extend the maturity date of the predevelopment loan to December 31, 2024 through a Fourth Amendment to Predevelopment Loan Agreement.

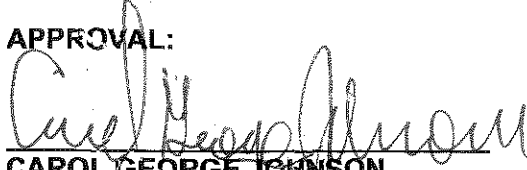
**WHEREAS**, HANO and the Developer also entered into that certain Conditional Loan Commitment, dated May 23, 2022, for construction/permanent subordinate financing in the amount of \$536,000. The Loan Commitment expired on January 1, 2023. Because the Developer is in the process of securing financing for the Project and anticipates a construction closing in 2024, HANO is willing to extend the term of the Loan Commitment to December 31, 2024.

**THEREFORE, BE IT RESOLVED**, it is hereby requested that the Board of Commissioners of the Housing Authority of New Orleans that the Board of Commissioners hereby authorizes the Executive Director to: (1) extend the term of the Option to Lease to December 31,

2024, (2) extend the maturity date of the Predevelopment Loan to December 31, 2024, and (3) extend the term of the Conditional Loan Commitment to December 31, 2024.

Executed this 26<sup>th</sup> Day of September, 2023

APPROVAL:



CAROL GEORGE JOHNSON  
PRESIDENT, BOARD OF COMMISSONERS



**DECISION MEMORANDUM**

**September 8, 2023**

**To:** Board of Commissioners  
President Carol George Johnson, Vice President Paul Richard,  
Commissioner Avery Foret, Commissioner Kim Piper, Commissioner Percy  
Manson, Commissioner Rev. Michael Raymond, and Commissioner Monika  
McKay

**Through** Evette Hester  
Executive Director

**From:** Chanelle Campbell Washington, Project Manager *CW*  
Sherri Sengsouvana, HANO Development Consultant

**Re:** Resolution #2023-17  
Baronne Vacant Scattered Sites  
Authorization to Extend Exclusive Option to Lease, HANO Loan  
Commitment, and HANO Predevelopment Loan

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In 2019, REO Development, LLC was awarded the development rights to 2256 Baronne through RFQ #16-911-2 (the Project). The Project will include twenty (22) one and two-bedroom rental units for seniors that meet historic preservation requirements. The Project will be developed in a four-story structure built to Enterprise Green Communities standards, with 17,500 square feet of residential space and 2,500 square feet of community space and other common areas.

HANO and 2256 Baronne, LLC (Developer), an affiliate of REO Development, LLC, entered into that certain Exclusive Option to Lease, dated June 2016, as amended by that First Amendment to Exclusive Option to Lease, dated December 21, 2022, in which HANO granted the Developer the option to lease and develop the Project. The term of the First Amendment to Exclusive Option to Lease expires on September 30, 2023. The Developer is in the process of securing financing for the Project and anticipates a construction closing in 2024. Therefore, HANO is willing to extend the term of the option to December 31, 2024 through a Second Amendment to Exclusive Option to Lease.

HANO and Developer, entered into that certain Predevelopment Loan Agreement, dated April 1, 2019, in which HANO agreed to provide a predevelopment loan in an amount not to exceed \$99,210,000 with a maturity date of April 1, 2020. The Predevelopment Loan Agreement was amended by that certain First Amendment to Predevelopment Loan Agreement, dated July 15, 2020, to extend the maturity date to April 1, 2021, by that Second Amendment to Predevelopment

Loan, dated May 19, 2021, to extend the maturity date to September 30, 2022, and by that Third Amendment to Predevelopment Loan Agreement, dated January 23, 2023, to extend the maturity date to September 30, 2023. The Developer is in the process of securing financing for the Project and anticipates a construction closing in 2024. Therefore, HANO is willing to extend the maturity date of the predevelopment loan to December 31, 2024 through a Fourth Amendment to Predevelopment Loan Agreement.

HANO and the Developer also entered into that certain Conditional Loan Commitment, dated May 23, 2022, for construction/permanent subordinate financing in the amount of \$536,000. The Loan Commitment expired on January 1, 2023. Because the Developer is in the process of securing financing for the Project and anticipates a construction closing in 2024, HANO is willing to extend the term of the Loan Commitment to December 31, 2024.

Therefore, it is hereby requested that the Board of Commissioners of the Housing Authority of New Orleans authorize the Executive Director to: (1) extend the term of the Option to Lease to December 31, 2024, (2) extend the maturity date of the Predevelopment Loan to December 31, 2024, and (3) extend the term of the Conditional Loan Commitment to December 31, 2024.