

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
MARCH 26, 2013**

RESOLUTION NO. 2013-11

WHEREAS, The Housing Authority of New Orleans (HANO) and the Iberville Revitalization Company, LLC (IRC), the Master Developer for the Choice Neighborhoods Initiative (CNI), have executed the Iberville/Tremé Choice Neighborhoods Initiative Implementation Agreement ("Implementation Agreement"), which will serve as the governing Master Development Agreement for all components of the CNI Transformation Plan. This document establishes the guiding principles, overarching business terms, and roles and responsibilities of IRC and HANO for the implementation of CNI; and

WHEREAS, the Implementation Agreement contemplated that when a rental housing phase is determined to be viable, HANO will provide the Developer a Developer Fee Advance Loan for no more than fifteen percent (15%) of the expected Developer Fee for the applicable Phase, calculated for the purposes of the Developer Fee Advance Loan at twelve percent (12%) of total development costs less reserves and the Developer Fee itself for that phase; and

WHEREAS, the IRC seeks to redevelop Iberville Phase II On-site, which consists of Block C, in collaboration with HANO to provide approximately 75 mixed-income rental housing units; and

WHEREAS, HANO has negotiated a Developer Fee Advance Loan Agreement with On Iberville Phase II, LLC ("Developer"), a Developer Affiliate of IRC, for Iberville Phase II On-site which covers partial reimbursement of overhead costs that have been or will be incurred in connection with development of Iberville Phase II On-site; and

WHEREAS, the total amount of the Developer Fee Advance Loan shall not exceed \$276,154.00 for Iberville Phase II On-site, and upon approval by HUD, will be advanced per the Developer Fee Advance Loan Agreement; and

WHEREAS, the Developer Fee Advance Loan is non-interest bearing, and is full recourse; and

WHEREAS, the entire principal amount of the Developer Fee Advance Loan shall mature and be due and payable upon the maturity date of December 31, 2013 or at closing, whichever is earlier;

Resolution No. 2013-11
March 26, 2013
Page 2

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Developer Fee Advance Loan Agreement for Phase Two On-site with On Iberville Phase II, LLC in an amount not to exceed \$276,154.00.

Executed this 26th day of March, 2013

APPROVAL:

A handwritten signature in black ink, appearing to read 'DAVID GILMORE', is written over a horizontal line. The signature is stylized and cursive.

DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS



March 26, 2013

MEMORANDUM

**To: David Gilmore
Administrative Receiver
Chairman, Board of Commissioners**

**From: Desiree Andrepont
Director, Real Estate Planning and Development**

**Maggie Merrill
Senior Advisor to the Administrative Receiver**

Re: Iberville Phase II On-site Developer Fee Advance Loan Agreement

The Housing Authority of New Orleans (HANO) and the Iberville Revitalization Company, LLC (IRC), the Master Developer for the Choice Neighborhoods Initiative (CNI), have executed the Iberville/Tremé Choice Neighborhoods Initiative Implementation Agreement ("Implementation Agreement"), which will serve as the governing Master Development Agreement for all components of the CNI Transformation Plan. This document establishes the guiding principles, overarching business terms, and roles and responsibilities of IRC and HANO for the implementation of CNI. The Implementation Agreement was executed by all parties on June 29, 2012.

The Implementation Agreement contemplates that when a rental housing phase is determined to be viable, HANO will provide the Developer a Developer Fee Advance Loan for no more than fifteen percent (15%) of the expected Developer Fee for the applicable Phase, calculated for the purposes of the Developer Fee Advance Loan at twelve percent (12%) of total development costs less reserves and the total Developer Fee for that phase. A Developer Fee Advance Loan Agreement has been negotiated with On Iberville Phase II, LLC ("Developer"), a Developer Affiliate of IRC, for Iberville Phase II On-site, which consists of Block C and will provide approximately 75 mixed-income rental housing units.

This Developer Fee Advance Loan will be used by the Developer as partial reimbursement of overhead costs that have been or will be incurred in connection with development of Iberville Phase II On-site. The total amount of the loan shall not exceed \$276,154.00. The loan is non-interest bearing, is full recourse, and repayment of the loan is due on December 31, 2013 or at closing, whichever occurs earlier.

The Board of Commissioners is hereby requested to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Developer Fee Advance Loan Agreement for Phase Two On-site with On Iberville Phase II, LLC in an amount not to exceed \$276,154.00.