

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
MARCH 11, 2014**

RESOLUTION NO. 2014-07 (AMENDED)

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 III On-site, which consists of a portion of Block J and two (2) historical buildings on Block G, in collaboration with HANO to provide approximately 106 mixed-income rental housing units; and

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

WHEREAS, the total amount of the Developer Fee Advance Loan shall not exceed \$417,476 for Iberville Phase III On-site; and

WHEREAS, the Developer Fee Advance Loan shall accrue interest at the rate of four percent (4%) compounded annually from the date of the disbursement, and is full recourse; and

WHEREAS, the entire principal amount of the Phase III Developer Fee Advance Loan plus interest shall be due and payable in full on December 31, 2014 or at financial closing, whichever is earlier; and

WHEREAS, the funds will be advanced per the Developer Fee Advance Loan Agreement only after approval of the Phase III Mixed-Finance Development proposal by HUD; and

WHEREAS, HANO Finance Department has approved the Certificate of Availability of Funds indicating HANO has the funds required for this phase of work; and

Resolution No. 2014-07

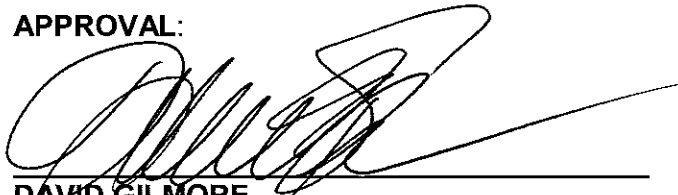
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THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the Administrative Receiver to execute the Iberville Phase III Developer Fee Advance Loan Agreement with On Iberville Phase III, LLC in an amount not to exceed \$417,476, at the rate of 4% compounded annually, payable in full on December 31, 2014 or at the time of the Phase III financial closing, whichever is earlier, and funded only after approval of the Phase III Mixed-Finance Development proposal by HUD.

Executed this 11th day of March, 2014

APPROVAL:

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

**DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS**



March 11, 2014

MEMORANDUM

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

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

Re: Iberville Phase III 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 III, LLC ("Developer"), a Developer Affiliate of IRC, for Iberville Phase III On-site, which consists of a portion of Block J and two (2) historical buildings on Block G. Approximately 106 mixed-income rental housing units are included in Phase III.

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 III On-site. The total amount of the loan shall not exceed \$417,476. The loan is subject to 4% interest compounded annually, is full recourse, and repayment of the loan plus interest is due on December 31, 2014 or at financial closing, whichever occurs earlier. The Developer may draw funds only when HUD approves the Phase III Mixed-Finance Development proposal. HANO's Finance Department has approved the Certificate of Availability of funds.

The Board of Commissioners is hereby requested to authorize the Administrative Receiver to execute the Iberville Phase III Developer Fee Advance Loan Agreement with On Iberville Phase III, LLC in an amount not to exceed \$417,476.