

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
OCTOBER 25, 2016**

**RESOLUTION NO. 2016-26**

**WHEREAS**, the Housing Authority of New Orleans (HANO), is a public housing agency as defined in the United States Housing Act 1937, and is responsible for planning, financing, constructing, maintaining and managing public housing developments in New Orleans, Louisiana; and

**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**, the IRC seeks to redevelop Iberville Phase V Onsite, which consists of one block, with its developer affiliate, On Iberville Phase V, LLC, to provide eighty (80) units including twenty-eight (28) replacement units. Of the replacement units, twenty-four (24) will be public housing (ACC Units) and four (4) will be Permanent Supportive Housing project-based voucher units (PSH Units) administered by the Louisiana Housing Corporation. Of the remaining 52 units, four (4) are Low Income Housing Tax Credit units, nine (9) units are restricted to 80% AMI at first occupancy, and thirty-nine (39) are unrestricted market rate units; and

**WHEREAS**, the Iberville Onsite Phase V project received an award of Low Income Housing Tax Credits with a placed in service deadline of December 31, 2017; and

**WHEREAS**, On Iberville Phase V, LLC, has requested that HANO provide permanent financing in an amount not to exceed \$8,216,730; and

**WHEREAS**, HANO and the United States Department of Housing and Urban Development (HUD) entered into Annual Contributions Contract No. FW-1190, dated December 2, 1996, as amended thereafter (the "ACC Contract"), pursuant to which HANO agreed to develop and operate certain low-rent housing, and HUD agreed to maintain the low rent character of such housing; and

**WHEREAS**, HANO, with the approval of HUD, desires to provide operating subsidy for up to twenty-four (24) public housing units.

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the Executive Director as follows:

1. Execute any and all documents on behalf of HANO necessary to complete the financial closing for the Iberville Phase V mixed-finance redevelopment project.
2. Execute any documents necessary to provide operating subsidy for up to twenty-four (24) public housing units and to obtain any and all necessary United States Department of Housing and Urban Development (HUD) approvals related thereto.

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3. Execute any and all documents to provide On Iberville Phase V, LLC loan funds in the amount not to exceed \$8,216,730 towards the cost of construction, rehabilitation, and development of the Iberville Phase V redevelopment project.

**Executed this 25<sup>th</sup> day of October, 2016**

**APPROVAL:**



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**DWAYNE G. BERNAL**  
**PRESIDENT, BOARD OF COMMISSIONERS**



**October 25, 2016**

**MEMORANDUM**

**To: Board of Commissioners  
President Dwayne G. Bernal, Vice President Alice Riener,  
Commissioner Toni Hackett Antrum, Commissioner Donna Johnigan,  
Commissioner Debra Joseph, Commissioner Andreanecia M. Morris,  
Commissioner Vonda Rice and Commissioner Cantrese Wilson**

**Through Gregg Fortner  
Executive Director**

**From: Jennifer Adams  
Director, Development and Modernization**

**Re: CNI - Iberville Phase V Financial Closing**

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The Housing Authority of New Orleans (HANO) procured the Iberville Revitalization Company LLC (IRC) to be the Master Developer for the Choice Neighborhoods Initiative (CNI) to redevelop the Iberville site. The overall Iberville redevelopment will include 821 public housing or project-based voucher replacement housing units on site and in the surrounding neighborhood. Iberville Onsite Phase V consists of one block and will provide eighty (80) units, including twenty-eight (28) replacement units. Of the replacement units, twenty-four (24) will be public housing (ACC Units) and four (4) will be Permanent Supportive Housing project-based voucher units (PSH Units) administered by the Louisiana Housing Corporation. The remaining 52 units are comprised of four (4) Low Income Housing Tax Credit units, nine (9) units restricted to 80% AMI at first occupancy, and thirty-nine (39) unrestricted market rate units.

The Iberville Onsite Phase V project was awarded an allocation of Low Income Housing Tax credits (LIHTCs) with a placed-in-service deadline of December 31, 2017. The financial closing is scheduled to occur in November 2016 to maintain the schedule for providing replacement housing units and to meet the placed-in-service deadline.

The total (Part A) permanent budget is \$24,036,938. The Developer, On Iberville Phase V, LLC, has requested permanent financing from HANO in the amount of \$8,216,730. HANO has secured a ground lease rental payment in the amount of \$25,000.00 per year, subject to available cash flow and positioned prior to repayment of the second lien position LHC/CDBG loan. Repayments on the HANO loan are subject to cash flow availability in third lien position with a 1% interest rate.

The loan includes the following HANO sources and uses:

AMOUNT	SOURCE	USE
\$1,700,000	CNI	Construction
\$4,606,486	Capital Funds/ RHF	Construction
\$544,971	Program Income	Construction
\$766,947	Capital Funds/ RHF	Predevelopment Soft Costs
\$598,326	Seller's Note	Acquisition

The remaining sources of permanent financing are:

LIHTC Equity	\$7,686,731
Federal Historic Tax Credit Equity	\$877,405
State Historic Tax Credit Proceeds	\$941,754
Louisiana Housing Corp CDBG loan	\$1,000,000
First Mortgage	\$5,000,000
Deferred Developer Fee	\$314,318

## **CERTIFICATIONS**

### Finance

The Chief Financial Officer has certified that the funds are available to complete the project from Choice Neighborhood Initiative funds, Capital Funds, and Program Income.

It is requested that the Board of Commissioners authorize the Executive Director to perform the following actions necessary to complete the financial closing for the Iberville Phase V mixed-finance redevelopment project:

1. Execute any and all documents on behalf of HANO necessary to complete the financial closing for the Iberville Phase V mixed-finance redevelopment project.
2. Execute any documents necessary to provide operating subsidy for up to twenty-four (24) public housing units and to obtain any and all necessary United States Department of Housing and Urban Development (HUD) approvals related thereto.
3. Execute any and all documents to provide On Iberville Phase V, LLC loan funds in the amount not to exceed \$8,216,730 towards the cost of construction, rehabilitation, and development of the Iberville Phase V redevelopment project.