

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

RESOLUTION NO. 2016-28

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 VI Onsite, which consists of one block, with its developer affiliate, On Iberville Phase VI, LLC, to provide fifty (50) units, including twenty (20) replacement units. Of the replacement units, seventeen (17) will be public housing (ACC Units) and three (3) will be Permanent Supportive Housing project-based voucher units (PSH Units) administered by the Louisiana Housing Corporation. All thirty (30) of the remaining units are Low Income Housing Tax Credit Units; and

WHEREAS, the Iberville Onsite Phase VI 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 VI, LLC has requested that HANO provide permanent financing in an amount not to exceed \$4,802,158; 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 seventeen (17) 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 VI mixed-finance redevelopment project.
2. Execute any documents necessary to provide operating subsidy for up to seventeen (17) 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 VI, LLC loan funds in an amount not to exceed \$4,802,158 towards the cost of construction, rehabilitation, and development of the Iberville Phase V redevelopment project.

Executed this 25th day of October, 2016

APPROVAL:



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 VI Financial Closing

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 VI consists of one block and will provide fifty (50) units, including twenty (20) replacement units. Of the replacement units, seventeen (17) will be public housing (ACC Units) and three (3) will be Permanent Supportive Housing project-based voucher units (PSH Units) administered by the Louisiana Housing Corporation. All thirty (30) remaining units are Low Income Housing Tax Credit Units.

The Iberville Onsite Phase VI 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 \$17,012,407. The Developer, On Iberville Phase VI, LLC, has requested permanent financing from HANO in the amount of \$4,802,158. HANO has secured a ground lease rental payment in the amount of \$10,000.00 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
\$1,999,164	Capital Funds/ RHF	Construction
\$504,668	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	\$1,085,751
State Historic Tax Credit Proceeds	\$1,165,380
Louisiana Housing Corp CDBG loan	\$1,000,000
First Mortgage	\$830,000
Deferred Developer Fee	\$442,386

CERTIFICATIONS

Finance

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

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 VI mixed-finance redevelopment project:

1. Execute any and all documents on behalf of HANO necessary to complete the financial closing for the Iberville Phase VI mixed-finance redevelopment project.
2. Execute any documents necessary to provide operating subsidy for up to seventeen (17) 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 VI, LLC loan funds in an amount not to exceed \$4,802,158 towards the cost of construction, rehabilitation, and development of the Iberville Phase VI redevelopment project.