

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
SEPTEMBER 25, 2018**

**RESOLUTION NO. 2018-15**

**WHEREAS**, The Housing Authority of New Orleans (HANO) and the City of New Orleans (CNO), jointly, were awarded the Choice Neighborhoods Implementation (CNI) Grant in 2011 to redevelop the last traditional standing housing development in the city, Iberville, and transform the surrounding neighborhood bounded by Broad Street, Tulane Avenue, Rampart Street, and St. Bernard Avenue (CNI Trapezoid); and

**WHEREAS**, HANO owns several scattered properties within the CNI Trapezoid but has not been able to develop the properties as part of its one-for-one replacement unit requirement pursuant to the CNI Grant Agreement due to lack of resources; and

**WHEREAS**, in August 2016, the New Orleans Redevelopment Authority (NORA), CNO, and HANO jointly issued a Notice of Funding Availability (NOFA) that paired CNO financial resources with NORA and HANO properties for the development of affordable housing within the CNI Trapezoid; and

**WHEREAS**, Home by Hand was awarded CNO funds under the NOFA to provide soft second mortgage financing to eligible homebuyers after construction of new homes on 9 properties, 6 of which set forth on Exhibit A are owned by HANO (Properties); and

**WHEREAS**, HANO desires to transfer the Properties to Home by Hand for 10% of the appraised value, contingent upon sale of the homes to buyers at 80% or less of Area Median Income; and

**WHEREAS**, HANO staff recommends disposition of the Properties to Home by Hand because it meets the spirit of the CNI grant funding and HANO's mission to provide affordable housing opportunities;

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the Executive Director to execute any and all documents necessary to effect the transfer of the Properties set forth in Exhibit A to Home by Hand for 10% of the appraised value, contingent upon inclusion of the following terms in the transfer of the Properties:

- (1) the Properties will revert to HANO if no action is taken by the developer to construct housing in a period of time to be determined by staff;
- (2) a minimum 5-year deed restriction that recaptures the difference between the appraised value of the Properties and the 10% of appraised value to be paid by Home by Hand if the homes on the Properties are sold within 5 years to a buyer who does not meet the requirements of an affordable homebuyer;

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(3) Home by Hand will provide a "first look period", the duration of which is to be determined by staff, that provides HANO Public Housing and HVCP participants the first opportunity to purchase the homes on the Properties.

**Executed this 25<sup>th</sup> day of September, 2018**

**APPROVAL:**



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**ALICE RIENER**  
**PRESIDENT, BOARD OF COMMISSIONERS**



**September 25, 2018**

**MEMORANDUM**

**To:** Board of Commissioners  
President Alice Riener, Commissioner Isabel Barrios,  
Commissioner Toni Hackett Antrum, Commissioner Sharon Jasper,  
Commissioner Debra Joseph, Commissioner Casius Pealer,  
Commissioner Kim Piper and Commissioner Lisha A. Wheeler

**Through** Gregg Fortner  
Executive Director

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

**Re:** Sale of 6 Properties for Development of Affordable Homeownership in the  
CNI Trapezoid

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The Housing Authority of New Orleans (HANO) and the City of New Orleans (CNO), jointly, were awarded the Choice Neighborhoods Implementation (CNI) Grant in 2011 to redevelop the last traditional standing housing development in the city, Iberville, and transform the surrounding neighborhood bounded by Broad Street, Tulane Avenue, Rampart Street, and St. Bernard Avenue (CNI Trapezoid). HANO owns several scattered properties within the CNI Trapezoid boundaries, and HANO anticipated developing the properties as part of its one-for-one replacement unit requirement pursuant to the CNI Grant Agreement. To date, HANO has not been able to develop any of the properties due to lack of resources.

In August 2016, the New Orleans Redevelopment Authority (NORA), CNO, and HANO jointly issued a Notice of Funding Availability (NOFA) which paired CNO financial resources with NORA and HANO properties in an effort to stimulate development of affordable housing, both rental and homeownership, within the CNI boundaries. The properties listed in Exhibit A (Properties) were part of the NOFA.

Home by Hand was awarded CNO funds pursuant to the NOFA to provide soft second mortgage funding to eligible buyers for homeownership opportunities on 9 lots—3 owned by NORA and 6 owned by HANO (Properties). None of the Properties fall under the Annual Contributions Contract (ACC) for public housing units and permission from the HUD Special Applications Center (SAC) to dispose of the Properties is not required. Home by Hand will construct 2- and 3-bedroom homes on the Properties through a construction loan and will sell the homes to clients at 80% or less of Area Median Income. At this income level, it is anticipated that soft second mortgages will be required to purchase the homes. Soft second mortgages and, if necessary, third mortgages will include requirements for owner occupancy.

Because this homeownership plan meets the spirit of the CNI grant as well as HANO's mission to provide affordable housing opportunities, HANO staff recommends the sales of the Properties at 10% of appraised value. Appraisals conducted on the properties in 2018 value the six lots at \$534,000. Thus the sales price would be maximum of \$53,400, contingent upon sale to a qualified buyer at 80% or less of Area Median Income. 3 of the properties are ready to transfer immediately. 3 of the properties require additional archeological investigation and will be transferred when suitable for development. We request the flexibility to transfer each property as needed.

Therefore, it is requested that the Board of Commissioners of the Housing Authority of New Orleans authorize the Executive Director to execute any and all documents necessary to effectuate the sale and transfer of the 6 properties in Exhibit A to Home by Hand for 10% of appraised value, contingent upon sale to a qualified buyer at 80% or less of Area Median Income.

**EXHIBIT A**

**CNI Properties**

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| <b>Address</b>                     | <b>Lot Size</b>  | <b>Land Area</b> | <b>Neighborhood</b> | <b>2018 Appraisal Value</b> | <b>Transfer Amount</b> |
|------------------------------------|------------------|------------------|---------------------|-----------------------------|------------------------|
| 1473 N Prieur                      | 31 x 119         | 3,689            | 7th Ward            | \$45,000                    | \$4,500                |
| 2451 Laharpe                       | 30 x 110         | 3,300            | 7th Ward            | \$44,000                    | \$4,400                |
| 2205 St Bernard<br>(a.k.a 2205-09) | 83/110x<br>84/86 | 5,887            | 7th Ward            | \$145,000                   | \$14,500               |
| 1500 Dumaine                       | 37 x 63          | 2,331            | Treme               | \$95,000                    | \$9,500                |
| 1808 Bayou Rd                      | 33 x 115         | 3,846            | Treme               | \$90,00                     | \$9,000                |
| 919 N Villere                      | 37 x 127         | 4,572            | Treme               | \$115,000                   | \$11,500               |