

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
APRIL 17, 2012**

RESOLUTION NO. 2012-15

WHEREAS, the Housing Authority of New Orleans (HANO) and the City of New Orleans have been awarded a \$30.5 million Choice Neighborhoods Initiative (CNI) Implementation Grant by the U.S. Department of Housing and Urban Development to redevelop the Iberville Public Housing Development; and

WHEREAS, 1501 Canal Street is one of the off-site properties for replacement housing units included in the Iberville Transformation Plan previously approved by HUD as part of the CNI application process; and

WHEREAS, 1501 Canal Street will be redeveloped by the Iberville Revitalization Company, LLC, to provide 112 replacement housing units for seniors; and

WHEREAS, HRI Properties (a member of Iberville Revitalization Company, LLC), has already received firm commitments from AEGON Realty Advisors (Low Income Housing Tax Credit and Historic Tax Credit investors), Stonehenge Capital Company (State Historic Tax Credit investor), J.P. Morgan Chase, N.A. (bond purchaser and construction/permanent lender), and the State Office of Community Development (Community Development Block Grant allocator) to finance the redevelopment of 1501 Canal Street, which should allow redevelopment to proceed quickly; and

WHEREAS, HANO exercised its option to purchase agreement for 1501 Canal Street at a cost of \$4,750,000 on November 30, 2011; and

WHEREAS, HANO extended its option to purchase agreement for 1501 Canal Street to March 28, 2012 for an additional option payment of \$350,000, and an increased purchase price of \$4,814,426;

WHEREAS, At the March 14, 2012 meeting of the Louisiana Housing Corporation (LHC) Board of Directors, final approval of the issuance of the Multifamily Housing Revenue Bonds and 4% Non-Competitive Low Income Housing Tax Credits for 1501 Canal Street was deferred until the May 9, 2012 meeting of the LHC Board; and

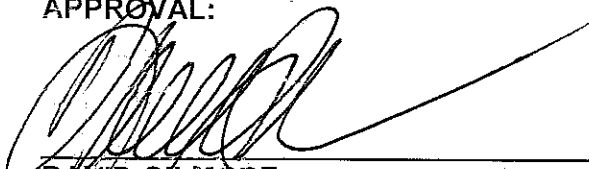
WHEREAS, HANO was required to renegotiate the Option, Purchase, and Sale agreement for an additional option payment of \$200,000 to extend the closing date to May 15, 2012 at the latest, which was exercised on April 4, 2012; and

WHEREAS, the seller has negotiated a new purchase price with HANO not to exceed \$4,875,063.71 and the option payments of \$120,000, \$350,000, and \$200,000 will be credited towards the purchase price;

BE IT THEREFORE RESOLVED, The Board of Commissioners hereby ratifies the second extension of the Option, Purchase, and Sale Agreement by the Administrative Receiver on April 4, 2012 and authorizes the Administrative Receiver to take all necessary actions to complete this acquisition including the execution of any and all necessary documents to effectuate this acquisition.

Executed this 17th day of April, 2012

APPROVAL:

A handwritten signature in black ink, appearing to read 'David Gilmore', is written over a horizontal line. The signature is cursive and extends to the right of the line.

DAVID GILMORE,
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS



April 17, 2012

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: Acquisition of 1501 Canal Street (Texaco Building) for Choice
Neighborhood Initiative Project

HANO entered into an option to purchase 1501 Canal Street as one of several off-site locations for Iberville replacement housing included in Choice Neighborhoods Initiative (CNI). The Authority was awarded a Choice Neighborhoods Initiative grant by HUD in August 2011. 1501 Canal Street site was approved as part of the proposed CNI Transformation Plan.

The initial option agreement was authorized by HANO Board Resolution No. 2011-28 on May 17, 2011. The Option, Purchase, and Sale agreement was signed on May 25, 2011 with an option payment of \$120,000. On November 30, 2011, HANO exercised its option to purchase the property at a cost of \$4,750,000, and was required to close by January 27, 2012. The original closing had to be delayed while HANO completed the due diligence work that was required by HUD in order to purchase the property. HANO renegotiated the Option, Purchase, and Sale agreement for an additional option payment of \$350,000 to extend the closing date to March 28, 2012 at the latest, which was exercised on February 15, 2012 and ratified on March 13, 2012 by HANO Board Resolution No. 2012-11.

At the March 14, 2012 meeting of the Louisiana Housing Corporation (LHC) Board of Directors, final approval of the issuance of the Multifamily Housing Revenue Bonds and 4% Non-Competitive Low Income Housing Tax Credits for 1501 Canal Street was deferred until the May 9, 2012 meeting of the LHC Board. The project cannot proceed without these funds, and HANO was therefore required to renegotiate the Option, Purchase, and Sale agreement to extend the closing date to May 15, 2012 at the latest. HANO paid an additional option payment of \$200,000 to extend the closing date. The seller has also negotiated a new purchase price with HANO not to exceed \$4,875,063.71 for the increased actual carrying costs for the delay period. This extension of the option was executed on April 4, 2012. The option payments of \$120,000, \$350,000, and \$200,000 will all be credited towards the purchase price.

1501 Canal Senior Apartments, also known as the Texaco Building, will provide 112 one-bedroom replacement units for senior households. HRI Properties, a member of the Iberville Revitalization Company, LLC, has already assembled a viable financing structure. Redevelopment of the property is currently scheduled to begin in 2012.

The Board is hereby requested to ratify the second extension of the Option, Purchase, and Sale Agreement by the Administrative Receiver on April 4, 2012, to authorize the Administrative Receiver to take all necessary actions to complete this acquisition, and to execute any and all necessary documents to effectuate this acquisition.