

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
NOVEMBER 13, 2012**

**RESOLUTION NO. 2012-53**

**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**, it is contemplated in the Implementation Agreement that when a rental housing phase is determined to be viable, HANO will provide the Developer a Predevelopment Loan for no more than seventy-five percent (75%) of eligible third party predevelopment costs for that phase; and

**WHEREAS**, the IRC seeks to redevelop Iberville Phase I Onsite, which consists of two blocks, in collaboration with HANO to provide approximately 152 mixed-income rental housing units with 56 replacement public housing units and other related community amenities; and

**WHEREAS**, A Predevelopment Loan Agreement has been negotiated with On Iberville Phase I, LLC ("Developer"), a Developer Affiliate of IRC, for Iberville Phase I Onsite, which covers eligible third-party pre-development costs such as partnership costs, LIHTC & other fees, soft costs such as professional services, surveys, building permit fees, and appraisal and market studies, and construction costs including design fees and structural/civil engineering. This loan explicitly excludes overhead of the Developer; and

**WHEREAS**, HANO's portion of predevelopment costs for Iberville Phase I Onsite, which represents seventy-five percent (75%) of the HUD-eligible and HANO approved costs incurred by the Developer prior to closing, shall not exceed \$1,122,187; and

**WHEREAS**, Payments under this agreement will only be made to the Developer to reimburse for eligible and approved third party predevelopment costs, and .

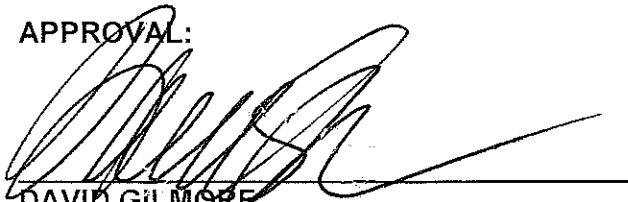
**WHEREAS**, the entire principal amount of the Predevelopment Loan shall mature and be due and payable upon the maturity date of December 31, 2013 or at closing, whichever is earlier;

**Resolution No. 2012-53  
November 13, 2012  
Page 2**

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Loan Agreement – Phase One On-site Third Party Costs with On Iberville Phase I, LLC in an amount not to exceed \$1,122,187.

**Executed this 13<sup>th</sup> day of November, 2012**

**APPROVAL:**

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

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



**November 13, 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: Iberville Phase I On-site Predevelopment Loan Agreement for Third Party  
Costs**

---

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 Predevelopment Loan for no more than seventy-five percent (75%) of eligible third party predevelopment costs for that phase. A Predevelopment Loan Agreement has been negotiated with On Iberville Phase I, LLC ("Developer"), a Developer Affiliate of IRC, for Iberville Phase I Onsite, which consists of two blocks and will provide approximately 152 mixed-income rental housing units with 56 replacement public housing units and other related community amenities.

This Predevelopment Loan covers eligible third-party pre-development costs such as partnership costs, LIHTC & other fees, soft costs such as professional services, surveys, building permit fees, and appraisal and market studies, and construction costs including design fees and structural/civil engineering. This loan explicitly excludes overhead of the Developer. HANO's portion of predevelopment costs, which represents seventy-five percent (75%) of the HUD-eligible and HANO approved costs incurred by the Developer prior to closing, shall not exceed \$1,122,187. Payments under this agreement will only be made to the Developer to

reimburse for eligible and approved third party predevelopment costs. The entire principal amount of the Predevelopment Loan shall mature and be due and payable upon the maturity date of December 31, 2013 or at closing, whichever is earlier.

IRC received an allocation of Low Income Housing Tax Credits (LIHTCs) in 2011 for this first phase of Iberville, and must meet expenditure and placed-in-service deadlines in order to retain those credits and the associated equity which are critical to the project. These predevelopment activities are necessary to move the Iberville on-site redevelopment forward, and are contemplated in the Implementation Agreement. It is critical that this Predevelopment Loan Agreement is executed as soon as possible to keep the project on schedule.

The Board of Commissioners is hereby requested to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Loan Agreement – Phase One On-site Third Party Costs with On Iberville Phase I, LLC in an amount not to exceed \$1,122,187.