

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
DECEMBER 11, 2012**

RESOLUTION NO. 2012-56

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 Developer Fee Advance Loan for no more than fifteen percent (15%) of the expected Developer Fee for the applicable Phase, calculated for the purposes of the Developer Fee Advance Loan at twelve percent (12%) of total development 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, HANO has negotiated a Predevelopment Developer Fee Advance Loan Agreement with On Iberville Phase I, LLC ("Developer"), a Developer Affiliate of IRC, for Iberville Phase I Onsite which covers partial reimbursement of overhead costs that have been incurred in connection with development of Iberville Phase I Onsite; and

WHEREAS, the total amount of the Developer Fee Advance Loan shall not exceed \$648,390.00 for Iberville Phase I Onsite, and upon approval by HUD, shall be advanced in monthly installments; and

WHEREAS, the Developer Fee Advance Loan is non-interest bearing, and is full recourse; and

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

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 Developer Fee Advance Loan Agreement for Phase I On-site with On Iberville Phase I, LLC in an amount not to exceed \$648,390.00.

Executed this 11th day of December, 2012.

APPROVAL



DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONER



December 11, 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 Developer Fee Advance Loan Agreement

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 Developer Fee Advance Loan for no more than fifteen percent (15%) of the expected Developer Fee for the applicable Phase, calculated for the purposes of the Developer Fee Advance Loan at twelve percent (12%) of total development costs for that phase. A Developer Fee Advance 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 Developer Fee Advance Loan will be used by the Developer as partial reimbursement of overhead costs that have been incurred in connection with development of Iberville Phase I Onsite. The total amount of the loan shall not exceed \$648,390.00, and upon approval by HUD, shall be advanced in monthly installments. The loan is non-interest bearing, is full recourse, and repayment of the loan is due on December 31, 2013 or at closing, whichever is earlier.

The Board of Commissioners is hereby requested to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Developer Fee Advance Loan Agreement for Phase I On-site with On Iberville Phase I, LLC in an amount not to exceed \$648,390.00.