

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
JULY 27, 2015**

RESOLUTION NO. 2015-12

WHEREAS, the Housing Authority of New Orleans (HANO) accepted the Act of Donation from Guste Homes Resident Management Corporation (GHRMC) for the property more specifically identified in the attached Exhibit A (the "Property") through Board Resolution #2013-07; and

WHEREAS, HANO and GHRMC entered into a Memorandum of Understanding (MOU) dated April 24, 2013 that stipulated that the donation would be made to HANO for use in the construction of a community center to serve the Guste residents; and

WHEREAS, due to certain delays in funding the construction of the community center, the community center portion was removed from the Guste III redevelopment financing transaction resulting in a loss of the capital funding and operating subsidy for the community center; and

WHEREAS, the community center remains unfunded and therefor HANO desires to return the donated Property to GHRMC in accordance with the terms of the MOU.

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Executive Director to execute any and all documents necessary to effectuate the transfer of ownership of the Property to the GHRMC.

Executed this 27th day of July, 2015

APPROVAL:



**DWAYNE G. BERNAL
PRESIDENT, BOARD OF COMMISSIONERS**



July 27, 2015

MEMORANDUM

**To: Board of Commissioners
President Dwayne G. Bernal, Vice President Alice Riener,
Commissioner Glen Pilié, Commissioner Toni Hackett Antrum, and
Commissioner Vonda Rice**

**Through Gregg Fortner
Executive Director**

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

Re: Act of Donation to GHRMC – Square 322 Lot B, Lot 13, Lot 14

In 2004, the Guste Homes Resident Management Corporation (GHRMC) purchased three lots in Square 322 (Lot B, Lot 13 and Lot 14) near the intersection of South Liberty Street and Thalia Streets in Central City. These lots are directly across the street from the Guste Highrise, which contains 385 public housing rental units, and Guste I, which contains 82 mixed-income units. In 2013, the GHRMC donated the property to the Housing Authority of New Orleans (HANO) in anticipation of the construction of a community center that would serve the entire Guste community. Board Resolution #2013-07 accepted the donation and provided for an operating reserve for the Guste community center. A Memorandum of Understanding (MOU) executed in conjunction with the donation required HANO to deed the property back to the GHRMC if, for any reason, the community facility was not built.

When the donation was accepted in 2013, HANO anticipated that the cost to build a community center would be part of the Guste III redevelopment and funded through Low Income Housing Tax Credit (LIHTC) equity. When certain issues regarding the community center assemblage, including outstanding tax liens, delays in resubdivision, and restrictive LIHTC regulations regarding the adjacency of property to the redevelopment site began to delay the financial closing of the Guste III project, the community center portion was removed from the Guste III redevelopment financing transaction. The effect was a loss of the capital funding and operating subsidy for the community center. Anticipated developer fee from the redevelopment of Guste III has been delayed and is expected to be reduced due to the delays in the construction of units. Consequently, the community center project remains unfunded. In accordance with the MOU, HANO seeks to return the deed and maintenance of the property to GHRMC.

HANO requests the Board of Commissioners authorize the Executive Director to execute any and all documents to effectuate the transfer of ownership of the property to the GHRMC.