

THE LAFITTE REDEVELOPMENT



LHFA Board Meeting
February 2011

UPDATE SINCE NOVEMBER PRESENTATION

- Completed over 100 of the first 134 rental units that are currently under construction on Blocks 1-3 on-site.
- Pile driving has been completed for the 80 remaining units on Blocks 1-3.
- Infrastructure work has started on Blocks 4-8.
- Sold or under contract 11 off-site homeownership units. An additional 2 are completed and for sale.
- 60 Katrina Cottages under construction off-site and expected to be completed in spring 2011.
- Relocated 30 homes from footprint of new hospitals. Some directly across from Lafitte site. Rehabilitation to begin shortly.
- Development team is proposing a restructured second rental development phase of 142 units that can be completed by the current December 31, 2011 PIS deadline, with committed investor/lender and closing planned for March.
- Reprocessing applications reflecting proposed changes were submitted to LHFA January 18, 2011.

ON-SITE DEVELOPMENT



OFF-SITE DEVELOPMENT



CURRENT APPROVED PROJECT

Component	Type/ Population	Units	Tax Credit Allocation	LIHTC Equity	TDC
1. On-Site Redevelopment I (Blocks 1-3)	New Construction Family	134 total 74 ACC 60 PBS8	\$3,097,758	\$21.2mm	\$35.4mm
2. On-Site Redevelopment II (Block 4)	New Construction Senior	100 total 100 PBS8	\$2,211,000	\$14.4mm	\$27.2mm
3. On-Site Redevelopment III (Blocks 5-8)	New Construction Family	142 total 67 ACC 75 PBS8	\$3,312,756	\$21.5mm	\$39.6mm
4. Off-Site Rental I: Rehabilitation	Rehabilitation Family	44 total 44 PBS8	\$474,461	\$3mm	\$8.4mm
5. Off-Site Rental II: New Construction (Adjudicated)	New Construction Family	148 total 148 PBS8	\$3,704,025	\$24mm	\$38mm
		568 total 141 ACC 427 PBS8	\$12,800,000	\$84.1mm	\$148.6mm

CURRENT UNIT MIX

- In addition to the 568 rental units there are:
 - 80 homeownership units on Blocks 1-3
 - 61 homeownership units on Blocks 5-8
 - 103 homeownership units off-site (all of which are completed or under construction)

	CURRENT		
	Rental	Sale	Total
Blocks 1-3	134	80	214
Block 4	100	0	100
Blocks 5-8	142	61	203
Total On-Site	376	141	517
Total Off-Site	192	103	295
TOTAL	568	244	812

CURRENT ON-SITE SITE PLAN



- ACC
- Project Based Section 8
- LIHTC
- Home Ownership

141 Units – Targeted to 0-60% AMI
 195 Units – Targeted to 0-50% AMI
 40 Units – Targeted to 40-60% AMI
 141 Units – Targeted to 60-80% AMI

MOVING FORWARD WITH ONE YEAR EXTENSION

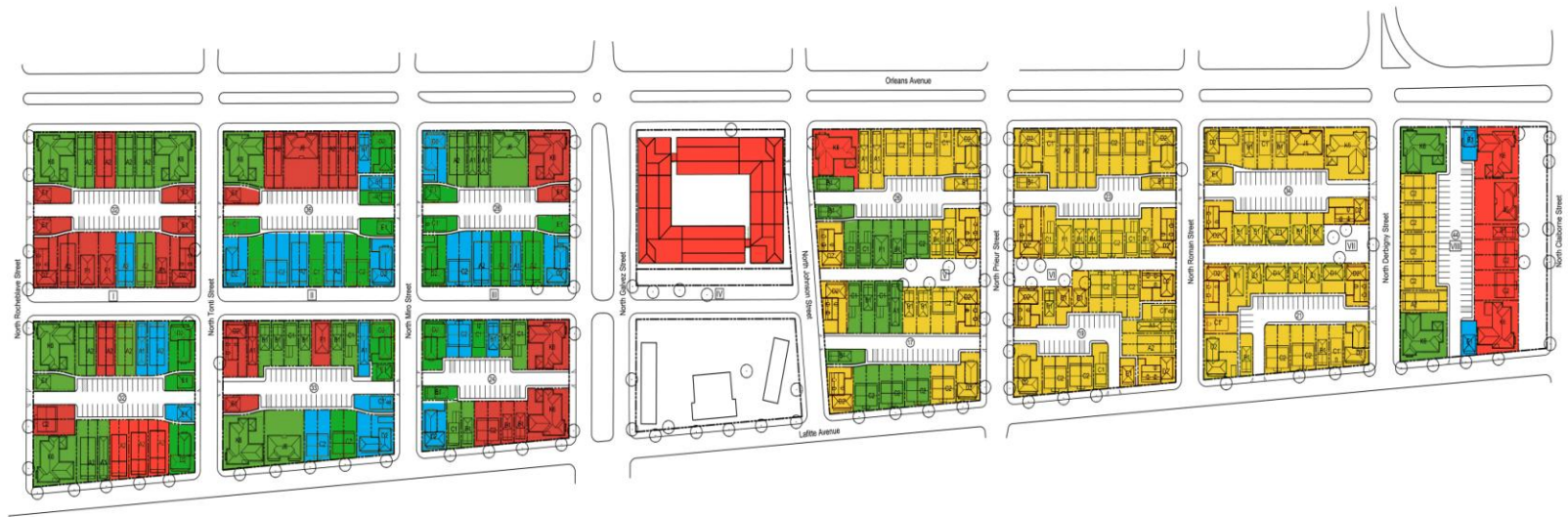
- On-Site Block 4 (Senior Building) will be developed without tax credits as FEMA and HANO-funded project. Senior Building credits to be reallocated to other Lafitte phases, with portion returned if PIS not extended another year.
- Development Team proposes to move forward with remaining 142 tax credit units on-site, but instead of all located on Blocks 5-8, 80 will be located on Blocks 1-3 and 62 will be located on Blocks 5 and 8.
 - Given recent infrastructure start on Blocks 5-8, contractor cannot complete 142 units on Blocks 5-8 by end of year, but feels confident they can finish 62 units.
 - Infrastructure has been completed on Blocks 1-3 and pile driving has been completed on the 80 remaining units on those blocks. Those 80 remaining units would be completed as tax credit rental units instead of homeownership units.
 - 80 rental units on Blocks 5-8 would be converted to homeownership to keep total number of rental and homeownership units on-site same as before.
- Construction of 141 homeownership units on Blocks 5-8 (the 80 units plus the 61 homeownership units always planned for Blocks 5-8) would begin early 2012. Approximately \$9 million in OCD funds and \$17 million in HANO funds would provide guaranty for construction loan.

PROPOSED UNIT MIX

- Rental and homeownership split stays same with location changing:
 - Blocks 1-3 all rental (to take advantage of one year PIS extension)
 - 80 homeownership units that were programmed for Blocks 1-3 to be built instead of rentals on Blocks 5-8

	CURRENT			PROPOSED		
	Rental	Sale	Total	Rental	Sale	Total
Blocks 1-3	134	80	214	214	0	214
Block 4	100	0	100	100	0	100
Blocks 5-8	142	61	203	62	141	203
Total On-Site	376	141	517	376	141	517
Total Off-Site	192	103	295	192	103	295
TOTAL	568	244	812	568	244	812

PROPOSED ON-SITE SITE PLAN



- ACC
- Project Based Section 8
- LIHTC
- Homeownership

141 Units – Targeted to 0-60% AMI
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ON-SITE HOMEOWNERSHIP SOURCES AND USES

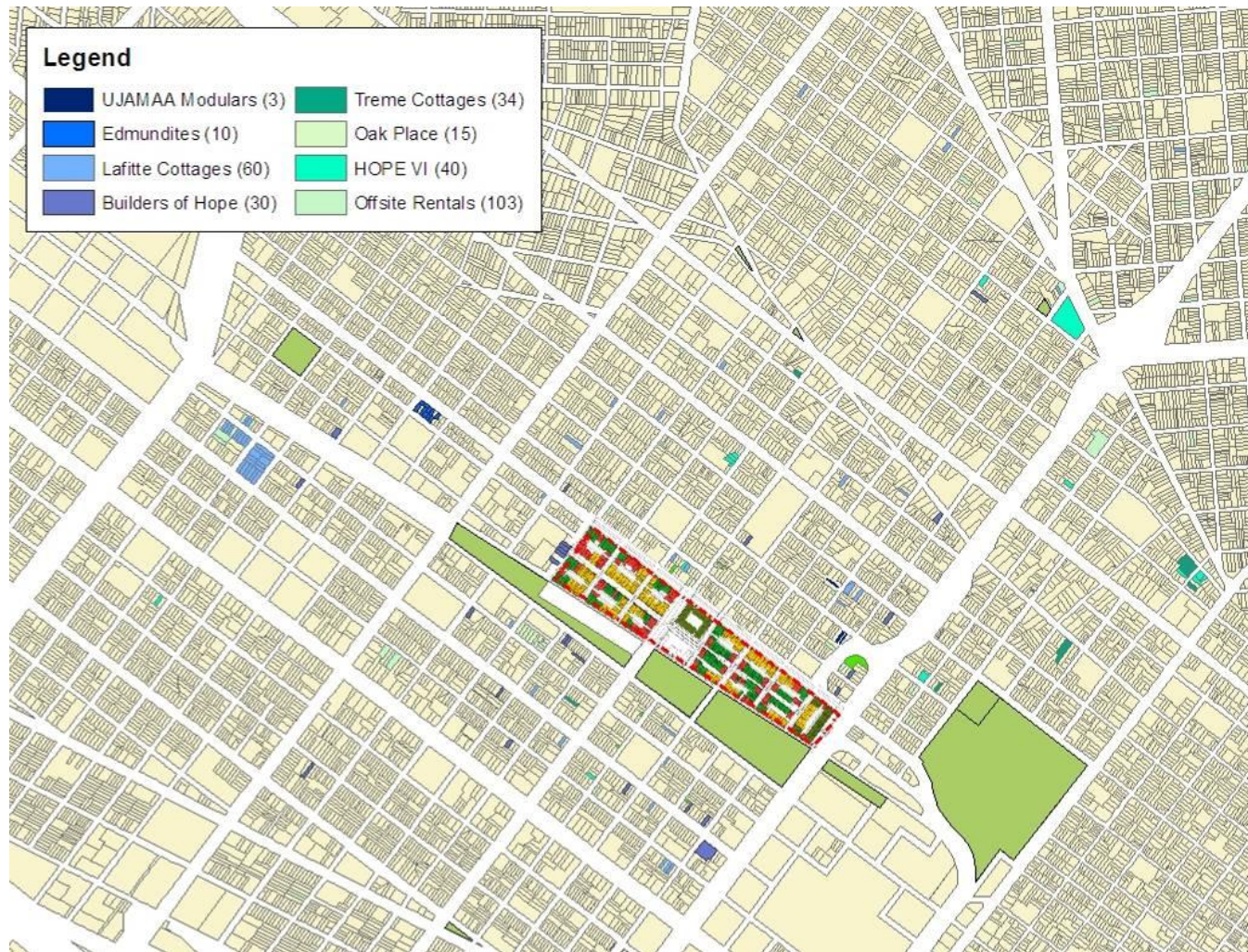
USES	
Hard Costs	28,895,345
Soft Costs	9,094,302
Real Estate Commissions	763,255
Homebuyer Closing Costs	872,330
HANO Fee	683,814
Developer Fee	4,558,758
TOTAL	44,867,804
SOURCES	
HANO Capital Funds	31,274,563
Homebuyers' Downpayment	127,209
Downpayment Assistance	508,836
Closing Cost Assistance	872,332
Homebuyers' First Mortgage	6,042,432
Soft Second	6,042,432
TOTAL	44,867,804

- Construction of 141 on-site homeownership units to start early 2012 (to focus on completing as many tax credit units as possible in 2011), with all units completed within 3 years.
- Completing majority of site prior to construction of homeownership will create stronger market in which units will be easier to sell.
- HANO has committed \$31 million in capital funds to the 141 units, of which about \$17 million will be set-aside in escrow account for rental guaranty funds. HANO understands overall exposure is \$48 million.
- Development Team has secured first \$2.5 million in soft second financing. If households closer to 80% AMI purchase, will not need as much in soft second financing as shown.

- **Offsite Homeownership** – 103 for sale homes
 - Modular Homes (3) – Completed in May 2007
 - Edmundite Homes (10) – Completed in February 2009
 - Katrina Cottages (60) – Under construction and scheduled to be completed by Spring 2011
 - VA Homes (30) – Relocated from the VA site and scheduled to be completed Summer 2011

- **Offsite Rental** – 192 rental units
 - Development Team has been opportunistic in acquiring land and securing other sources of funds if PIS not extended
 - Tremé Cottages (34) – Scheduled to begin early 2011 and be completed Fall 2011
 - Oak Place (15) and Oak Tree (25) – Will utilize approximately \$320,000 in tax credits; scheduled to begin Spring 2011 and be completed Winter 2011
 - Designated Scattered Site Phase (40) – Scheduled to begin Fall 2011 and be completed Spring 2012
 - Offsite Rentals (78) – Scheduled to begin Dec 2011 and be completed Fall 2012

OFF-SITE LOCATIONS



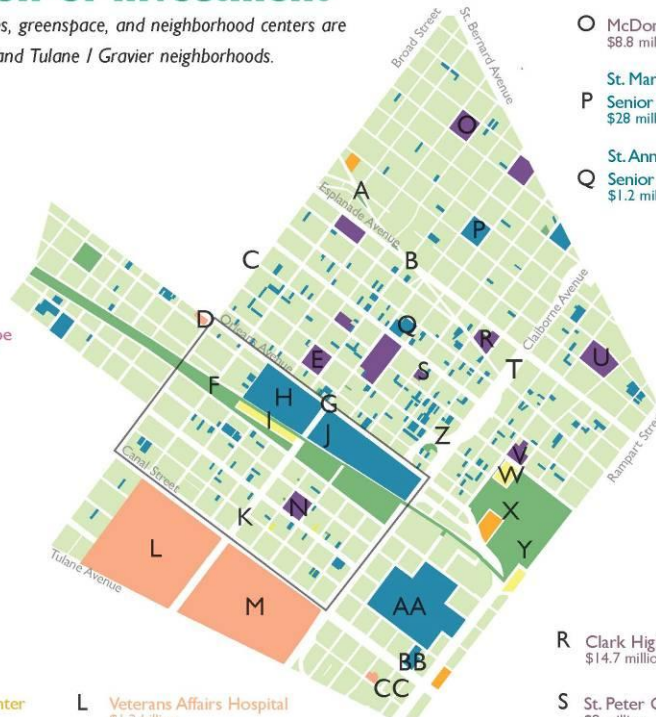
LHFA ACTIONS NEEDED

- Approve Blocks 1-3 Reprocessing Application (134-unit rental project currently under construction) to maximize credits.
 - Current allocation (\$3,097,758) is less than the maximum permitted (\$3,611,500). Since Senior Building will not use credits, we are requesting portion of the Senior Building credits (\$513,742) be reallocated to Blocks 1-3. Additional equity will take out OCD and HANO loans, freeing up funds for 142-unit guaranty.
- Approve Blocks 5-8 Reprocessing Application (142-unit rental project of which 80 will be constructed on Blocks 1-3 and 62 will be construction on Blocks 5 and 8).
 - Current allocation (\$3,312,756) is less than the maximum permitted (\$4,408,009). Since Senior Building will not use credits, we are requesting portion of the Senior Building credits (\$1,095,253) be reallocated to this phase. Have secured equity commitment from Goldman Sachs for close to \$0.78 raise.
- Approve Off-Site Reprocessing Application for 40 rental units (Oak Place and Oak Tree) for \$317,382 in credits.
- Remaining \$602,005 in Senior Building credits and \$3,861,104 in off-site credits will not be used if PIS is not extended another year.

Over \$3 billion of investment

in housing, schools, health facilities, greenspace, and neighborhood centers are underway in the Tremé / Lafitte and Tulane / Gravier neighborhoods.

- A St. Rose of Lima
\$9.6 million
- B Bayou Road Streetscape
\$700,000
- C Louisiana Main Street Project
- C Broad and Lafitte Streets Streetscape
\$600,000
- D Tulane Community Health Center
\$2 million
- E Wheatley School Redevelopment
\$23.4 million
- F Lafitte Greenway
\$11.6 million
- G Orleans Avenue Repave
\$9.7 million
- H Lafitte Redevelopment
\$400 million
- I Sojourner Truth Neighborhood Center
- J TCA HeadStart
\$2.7 million
- K Galvez Street Repave
\$1 million



- L Veterans Affairs Hospital
\$1.2 billion
- M University Medical Center
\$1.3 billion
- N Success Preparatory Academy
\$23.4 million

- O McDonogh #42
\$8.8 million
- P St. Martin Manor Senior Apartments
\$28 million
- St. Ann Square Low-Income Senior Apartments
\$1.2 million
- Q

- U McDonogh #35
\$18 million
- V Craig Elementary School
\$16 million
- W Tremé Community Center
\$4.4 million
- X Mahalia Jackson Theater
\$27 million
- Y Louis Armstrong Park & Old Fire Station
\$3.4 million
- Urban League's Bienville Corridor

Z Covenant Farms Community Gardens

AA Iberville Redevelopment

BB Krauss Building
\$60 million

CC BioInnovation Center
\$38 million

- R Clark High School
\$14.7 million
- S St. Peter Claver School
\$8 million
- T Claiborne Avenue Streetscape
\$2.2 million
- T Claiborne Corridor Improvement Coalition
\$2.9 million

Housing	\$489.2 million
Schools	\$114 million
Health facilities	\$2.5 billion
Greenspace	\$15 million
Neighborhood Ctrs	\$31.4 million
Road improvements	\$14.9 million
Total investment	\$3.2 billion