



BOARD OF DIRECTORS

Agenda Item #10

Brenda Evans, Program Administrator
Marjorianna Willman, Tax Credit Manager

December 12, 2012

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RESOLUTION SUMMARY:

Windsor Court Apartments

Project Number TC2013-054BF

St. Gabriel, Louisiana

OVERVIEW

The developer of Windsor Court Apartments is requesting approval of \$481,110.00 in 4% LIHTC, \$1,000,000.00 in CDBG State funds and \$8,500,000.00 in Multi-family Revenue Bonds. The CDBG funds being requested from the LHC are residual funds remaining after the 2013 funding round that have been made available on a first come priority basis. Approving this request will allow the construction of the project. Disapproving the request will adversely affect the construction of 120 affordable housing units in St. Gabriel, Louisiana.

STAFF RECOMMENDATION:

Staff recommends approval of \$481,110.00 in 4% LIHTC, \$1,000,000.00 in CDBG State Funds and \$8,500,000.00 in Multi-family Revenue Bonds. This recommendation is based upon review of financial statements, meetings held with developer and feasibility/viability analysis.

PROJECT DEVELOPMENT SUMMARY:

Windsor Court Apartments is located at LA Hwy 74, St. Gabriel, Iberville Parish, Louisiana.

The project's approval for Multifamily Housing Revenue Bonds in an amount not to exceed \$8,500,000 will be considered on December 20, 2012 by the Louisiana State Bond Commission. The Mortgage Revenue Bonds will be issued by the Louisiana Housing Corporation.

The development was awarded \$6,132,500 of Community Development Block Grant (CDBG) funds through a competitive process conducted by Iberville Parish. The Parish advertised for Request for Developer Proposals related to the Affordable Rental Program under the OCD (Gustave/Ike) Disaster Recovery program for expansion of work force housing within the Parish. Through its process, the Loan Committee appointed to review the Developer Proposals recommended to issue a loan commitment letter in the amount of \$6,132,500 for the Windsor Courts Apartments development, located off Hwy 74, east of Plantation Subdivision, St Gabriel, Louisiana and its Developer being England Partners, LP, for the development of a 120 unit multi-family apartment development.

The project will consist of fifteen (15) buildings and one (1) Accessory building. There are 120 residential units. The unit mix consist of; fifty-six (56) two-bedroom units; sixty-two (62) three-bedroom units and two (2) other (non-revenue) three-bedroom units. Twelve (12) will be set aside for 30% or below of Area Median Income (AMI) and One hundred & Six 106 units will be set aside for 50-60 % of AMI tenants.

The units have an average square footage of (1,231) square feet. There is a community facility which provides community room, lounges, warming kitchen for meetings, a business center with computer access and access to a copy machine and fax machine. The project's amenities will include: on-site security, perimeter security fencing, security gate, swimming pool and playground. Each unit will be furnished with the following amenities: washer and dryer, ceiling fans in every bedroom and living area, internet and cable access in every bedroom and living area, blinds, stove, refrigerator, disposal and dishwasher.

DEVELOPMENT GROUP AND FINANCIAL PARTNERS

The taxpayer contact and representative at the Board of Directors meeting for the project is Mr. David Strange of New Horizons Development, LLC. Developer's experience includes LIHTC developments in Mississippi, Tennessee and Louisiana.

Louisiana Projects:

Project Name	# of Units	PIS Date	Location
• Carlyle Place	40	08/13/2009	Alexandria, LA
• Stratford Manor	50	09/28/2009	Alexandria, LA
• Meadowbrook Subdivision	39	06/16/2011	Winnsboro, LA
• <u>The Gates at Riverchase</u>	55	06/22/2011	Alexandria LA
Total LA	184		

The project's construction will be financed through the issuance of Tax-Exempt bonds. R4 Capital Inc. will be purchasing the tax credits. The projected equity from the syndication of credits is \$4,329,563.

FINANCIAL ANALYSIS

Funding Sources:

First Mortgage (Centerline Capital Group)	\$4,200,000
Deferred Developer Fees	\$634,378
Tax Credit Equity	\$4,329,563
CDBG State Funds	\$1,000,000
Bond Proceeds	\$8,500,000
CDBG Funds (Iberville Parish)	\$6,132,500

Project Costs:

Total Development Cost:	\$16,296,441
Total Units:	120
Total Cost/Unit:	\$135,804
Total Square Feet:	150,172
Total Cost/SF:	\$109
Total SF minus Common Buildings:	147,736
Total Cost/SF minus Commons:	\$110

Construction Costs:

Rehabilitation Hard Costs:	\$0
Construction Costs:	\$12,264,116
Land Costs:	\$400,000
Building Costs:	\$0

Property Value:

Appraisal Date:	N/A
Pre-Rehab Value:	N/A
Post-Rehab Value	N/A
Date Property Last Sold:	N/A
Amount of Last Sale:	N/A
Current Occupancy Rate:	N/A
Positive Cash Flow (last 12 months):	N/A

LOUISIANA HOUSING CORPORATION

The following resolution was offered by Director _____ and seconded by Director _____:

RESOLUTION

A resolution of intention to issue not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) Multifamily Housing Revenue Bonds (Windsor Court Project) in one or more series to finance the acquisition, construction and equipping of a multifamily housing development within the State of Louisiana; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation (the “**Corporation**”) is authorized by Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the “**Act**”), and other constitutional and statutory authority supplemental thereto, to issue revenue bonds to finance residential housing in the State of Louisiana (the “**State**”); and

WHEREAS, developer listed in Schedule I hereto, (the “**Developer**”) has met with officials of the Corporation and has advised the Corporation of the Developer's interest in the acquisition, construction and equipping of a multifamily housing facility, more particularly described in Schedule I hereto (the “**Project**”) within the State, subject to the willingness of the Corporation to finance the Project by the issuance of revenue bonds pursuant to the Act; and

WHEREAS, the Corporation deems it necessary and advisable that it takes such action as may be required under applicable statutory provisions to authorize and issue revenue bonds in one or more series to finance the cost of the Project set forth in Schedule I hereto, together with costs incident to the authorization, issuance and sale of the bonds, the aggregate costs of the Project and costs of authorization, issuance and sale of the bonds being presently estimated to be the amount set forth in Schedule I hereto; and

WHEREAS, the Developer has stated its willingness to arrange for the acquisition, construction and equipping of the Project and to enter into contracts therefor; and

WHEREAS, the income tax regulations prescribed by the Internal Revenue Service require that the issuer of tax exempt bonds adopt a resolution with respect to such bonds or take the other similar “official action” towards the issuance of the bonds prior to the commencement of the acquisition, construction and equipping of an exempt facility bond project; and

WHEREAS, one purpose of this resolution is to satisfy the requirements of said income tax regulations with respect to the Project set forth in Schedule I hereto:

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, that:

SECTION 1. Pursuant to the authority of the Act, and other constitutional and statutory authority supplemental thereto, the Project is hereby approved and the financing of the acquisition, construction and equipping thereof through the issuance of revenue bonds of the Corporation pursuant to the Act is hereby authorized in one or more series (the “**Bonds**”) and in a sufficient principal amount presently estimated as set forth in Schedule I hereto. It is the intent of this resolution to induce the financing of the Project. This resolution is the affirmative official action of the Corporation acting by and through its Board of Directors towards the issuance of its special, limited obligation revenue bonds in accordance with the Constitution and statutes of the State and the United States Treasury Department Regulations, Section 1.150-2. It is recognized and agreed that the Developer may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) the Developer itself; (ii) any “related person” as defined in Section 147(a)(2) of the Internal Revenue Code of 1986, as amended (the “**Code**”); or (iii) any legal successor thereto, respectively, subject to approval of the Corporation’s Bond Counsel, hereinafter employed.

SECTION 2. The costs of financing the Project will be paid out of the proceeds from the sale of the bonds, in one or more series, which shall be special, limited obligations of the Corporation, payable solely out of the revenues derived by the Corporation with respect to the Project for which financing is made available, and the Bonds and the interest thereon shall never constitute obligations, either general or special of the State, or of any political subdivision of the State or give rise to a pecuniary liability of the State or of any political subdivision of the State within the meaning of any provision or limitation of the Constitution or statutes of the State. The

Corporation does not have the power to pledge the general credit or taxing power of the State or of any political subdivision of the State.

SECTION 3. The issuance of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) aggregate principal amount of Multifamily Housing Revenue Bonds (Windsor Court Project) in one or more series (the “**Bonds**”) of the Corporation, pursuant to the Act, and other constitutional and statutory authority supplemental thereto, be and the same is hereby authorized and approved. In authorizing the issuance of the Bonds, the Corporation will make no warranty, either expressed or implied, that the proceeds of the Bonds will be sufficient to pay the cost of the Project or that the Project will be suitable for the Developer’s purposes or needs. The Bonds shall be sold by the Corporation on such date as may be determined by the Chairman of the Board of Directors of the Corporation, in accordance with the requirements of the Act, and pursuant to the provisions of the Notice of Intention to Sell at Private Sale attached hereto as Exhibit I.

By virtue of the Corporation’s application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission’s approval(s) resolved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the “State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.”, adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

SECTION 4. The operation of the Project, as well as the financing of the Project, will comply with all Federal, State and local laws and regulations and the Developer will obtain all necessary approvals and permits required thereunder.

SECTION 5. The Chairman of the Board of Directors and/or the Interim Executive Director or Chief Operating Officer of the Corporation are authorized and directed to call for a public hearing with respect to the Project and the proposed revenue bonds to finance same in accordance with the requirements of Section 147(f) of the Code, and cause to be published appropriate notice of each public hearing in accordance with the Code.

SECTION 6. The officers of this Board of Directors and the Interim Executive Director or Chief Operating Officer of the Corporation are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Corporation, with any governmental board or entity having jurisdiction over the Project, such applications or requests for approval thereof as may be required by law, including an application to the State Bond Commission for approval of the financing.

SECTION 7. All commitments by the Corporation herein with respect to the Project are subject to the condition that on or before 36 months from the date of adoption hereof, the Corporation and the Developer shall have agreed to mutually acceptable terms for the financing documents and the sale and delivery of the Bonds or other obligations.

SECTION 8. That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds and accordingly Foley & Judell, L.L.P., Bond Counsel, New Orleans, Louisiana, be and they are hereby employed as bond counsel to the Corporation to do and to perform comprehensive, legal and coordinate

professional work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the Attorney General's then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Bonds are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, subject to the Attorney General's written approval of said employment and fee.

SECTION 9. The Developer will comply with all rules, regulations and reviews of the Corporation in effect or undertaken from time to time.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 12th day of December, 2012.

Chairman

Secretary

SCHEDULE I

DEVELOPER: New Horizons Development, LLC

INITIAL OWNER/OPERATOR: England Partners, LP

BOND AMOUNT: Not exceeding \$8,500,000

PROJECT NAME	LOCATION	ESTIMATED NUMBER OF UNITS	ESTIMATED TOTAL COST
Windsor Court	St. Gabriel, Iberville Parish, LA	120	Approximately \$16,296,441

I, as authorized representative of the Developer, have reviewed the information above and hereby certify this Schedule I to be accurate and complete as of this date.

England Partners, LP

By: _____
Authorized Representative

Date: _____

EXHIBIT I

NOTICE OF INTENTION TO SELL AT PRIVATE SALE

LOUISIANA HOUSING CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (WINDSOR COURT PROJECT) IN ONE OR MORE SERIES

NOTICE IS HEREBY GIVEN in compliance with the provisions of Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the “**Act**”), that the Louisiana Housing Corporation (the “**Corporation**”), proposes to sell its Multifamily Housing Revenue Bonds (Windsor Court Project), in one or more series (the “**Bonds**”) in aggregate principal amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000) in one or more series at a rate or rates not exceeding twelve percentum (12%) per annum. The Bonds are to be sold to a purchaser to be determined at a later date to finance the acquisition, construction and equipping of Windsor Court, located in St. Gabriel, Iberville Parish, Louisiana (the “**Project**”) at a meeting of the Board of Directors of the Corporation scheduled for Wednesday, January 9, 2013, at eleven (11:00) o’clock a.m., Louisiana time, at the offices of the Louisiana Housing Corporation, 2415 Quail Drive, Baton Rouge, Louisiana 70808. The Corporation reserves the right to postpone the date, hour and place set forth above for the sale of the Bonds (without any further publication of notice of the change in the sale date, time and/or location). In the event the sale is postponed as provided above, anyone desiring written notice of the subsequent date and time which said sale is to be accomplished must request such notice from the Chairman of the Corporation. The Bonds will be sold pursuant to the terms of a resolution to be adopted by the Corporation and a Trust Indenture (the “**Indenture**”) to be executed by and between the Corporation and a trustee bank.

The Bonds are being issued pursuant to the Act and the Indenture for the purpose of financing the acquisition, construction and equipping of a multifamily housing project and (ii) paying the costs of issuance associated with the Bonds. The Bonds are limited obligations of the Corporation and will be payable solely out of the income, revenues and receipts derived from the funds and accounts held under and pursuant to the Indenture and pledged therefor. As provided in the Act and the Indenture, the Bonds do not constitute an obligation, either general or special, of the State of Louisiana, any municipality or any other political subdivision thereof.

The principal of and interest on the Bonds will be payable at the principal office of the paying agent or agents selected by the Corporation in accordance with the provisions of the Indenture.

The Bonds will be dated as provided in the Indenture, will bear interest at such rate or rates established at the time of sale of the Bonds, payable on such dates as set forth in the Indenture, and will mature no later than forty (40) years from date of issuance.

The Bonds will be issued in fully registered form in the denominations as provided in the Indenture. Bonds will be transferable as provided in the Indenture.

This Notice of Sale of Bonds is being published in accordance with the requirements of the Louisiana Constitution and the Act. For a period of thirty (30) days from the date of publication hereof, any person or persons in interest shall have the right to contest the legality of this notice, the resolution, any provision of the Bonds to be issued pursuant to it, the provisions securing the Bonds, and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. If no action or proceeding is instituted within the thirty (30) days, no person may contest the validity of the Bonds, the provisions of the resolution pursuant to which the Bonds were issued, the security of the Bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the Bonds shall be presumed conclusively to be legal. Thereafter no court shall have authority to inquire into such matters.

For further information relative to the Bonds and not contained in this Notice, address Foley & Judell, L.L.P., Bond Counsel, One Canal Place, Suite 2600, 365 Canal Street, New Orleans, LA 70130.

BY ORDER OF THE BOARD OF DIRECTORS, acting as the governing authority of the Corporation.

LOUISIANA HOUSING CORPORATION

Chairman

Secretary

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing eight (8) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on December 12, 2012, entitled: "A resolution of intention to issue not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) Multifamily Housing Revenue Bonds (Windsor Court Project) in one or more series to finance the acquisition, construction and equipping of a multifamily housing development within the State of Louisiana; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 12th day of December, 2012.

Secretary

(SEAL)